

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 549

FINAL READING

Introduced by Adams, 24.

Read first time January 21, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 13-518,  
2 43-2007, 60-658, 79-234, 79-239, 79-240, 79-2,104,  
3 79-2,105, 79-304, 79-305, 79-306, 79-310, 79-313, 79-317,  
4 79-318, 79-319, 79-528, 79-569, 79-598, 79-606, 79-608,  
5 79-611, 79-1003, 79-1007.06, 79-1007.08, 79-1007.16,  
6 79-1007.20, 79-1007.21, 79-1014, 79-1065.01, 79-1084,  
7 79-1086, 79-10,110, 79-1102.01, 79-1110, 79-1127,  
8 79-1148, 79-1149, 79-1150, 79-1161, 79-1204, 79-1212,  
9 79-1241.01, 79-1241.03, 79-1601, 79-1606, and 85-607,  
10 Reissue Revised Statutes of Nebraska, and sections  
11 79-233, 79-237, 79-238, and 79-1007.22, Reissue Revised  
12 Statutes of Nebraska, as amended by sections 1, 2, 3, and  
13 4, respectively, Legislative Bill 62, One Hundred First

1           Legislature, First Session, 2009; to change provisions  
2           relating to exempt schools and students, records of  
3           missing persons, the enrollment option program, student  
4           files, qualifications of the Commissioner of Education  
5           and members of the State Board of Education, powers and  
6           duties of the commissioner and the state board, school  
7           buses, transportation reimbursement, reports, school  
8           board meetings, contracts for instruction, the Tax Equity  
9           and Educational Opportunities Support Act, state aid  
10          adjustments, school tax levies, early childhood education  
11          programs, the Special Education Act, educational service  
12          units, and certain college admissions as prescribed; to  
13          harmonize provisions; to eliminate the Nebraska Equal  
14          Opportunity for Displaced Homemakers Act and provisions  
15          relating to the Diagnostic Resource Center at Cozad, the  
16          Seamless Delivery System Pilot Project, and core services  
17          funding for educational service units for prior fiscal  
18          years; to repeal the original sections; and to outright  
19          repeal sections 48-1301, 48-1302, 48-1303, 48-1304,  
20          48-1305, 48-1306, 48-1309, 79-1168, 79-1169, 79-1170,  
21          79-1171, 79-1172, 79-1173, 79-1174, 79-1175, 79-1176,  
22          79-1177, 79-1178, 79-11,136, 79-11,137, 79-11,138,  
23          79-11,139, 79-11,140, 79-11,141, and 79-1241, Reissue  
24          Revised Statutes of Nebraska.

25   Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 13-518, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           13-518 For purposes of sections 13-518 to 13-522:

4           (1) Allowable growth means (a) for governmental units  
5 other than community colleges, the percentage increase in taxable  
6 valuation in excess of the base limitation established under  
7 section 77-3446, if any, due to improvements to real property as  
8 a result of new construction, additions to existing buildings,  
9 any improvements to real property which increase the value of  
10 such property, and any increase in valuation due to annexation  
11 and any personal property valuation over the prior year and (b)  
12 for community colleges, (i) for fiscal years prior to fiscal year  
13 2003-04 and after fiscal year 2004-05 until fiscal year 2007-08,  
14 the percentage increase in excess of the base limitation, if  
15 any, in full-time equivalent students from the second year to  
16 the first year preceding the year for which the budget is being  
17 determined, (ii) for fiscal year 2003-04 and fiscal year 2004-05,  
18 the percentage increase in full-time equivalent students from the  
19 second year to the first year preceding the year for which the  
20 budget is being determined, and (iii) for fiscal year 2007-08 and  
21 each fiscal year thereafter, community college areas may exceed the  
22 base limitation to equal base revenue need calculated pursuant to  
23 section 85-2223;

24           (2) Capital improvements means (a) acquisition of real  
25 property or (b) acquisition, construction, or extension of any

1 improvements on real property;

2 (3) Governing body has the same meaning as in section  
3 13-503;

4 (4) Governmental unit means every political subdivision  
5 which has authority to levy a property tax or authority to  
6 request levy authority under section 77-3443 except sanitary and  
7 improvement districts which have been in existence for five years  
8 or less and school districts;

9 (5) Qualified sinking fund means a fund or funds  
10 maintained separately from the general fund to pay for acquisition  
11 or replacement of tangible personal property with a useful life of  
12 five years or more which is to be undertaken in the future but  
13 is to be paid for in part or in total in advance using periodic  
14 payments into the fund. The term includes sinking funds under  
15 subdivision (13) of section 35-508 for firefighting and rescue  
16 equipment or apparatus;

17 (6) Restricted funds means (a) property tax, excluding  
18 any amounts refunded to taxpayers, (b) payments in lieu of property  
19 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)  
20 state aid, (f) transfers of surpluses from any user fee, permit  
21 fee, or regulatory fee if the fee surplus is transferred to fund a  
22 service or function not directly related to the fee and the costs  
23 of the activity funded from the fee, (g) any funds excluded from  
24 restricted funds for the prior year because they were budgeted for  
25 capital improvements but which were not spent and are not expected

1 to be spent for capital improvements, (h) the tax provided in  
2 sections 77-27,223 to 77-27,227 beginning in the second fiscal year  
3 in which the county will receive a full year of receipts, and (i)  
4 any excess tax collections returned to the county under section  
5 77-1776; and

6 (7) State aid means:

7 (a) For all governmental units, state aid paid pursuant  
8 to sections 60-3,202 and 77-3523;

9 (b) For municipalities, state aid to municipalities  
10 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,  
11 77-27,136, and 77-27,139.04 and insurance premium tax paid to  
12 municipalities;

13 (c) For counties, state aid to counties paid pursuant  
14 to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,  
15 77-27,136, and 77-3618, insurance premium tax paid to counties,  
16 and reimbursements to counties from funds appropriated pursuant to  
17 section 29-3933;

18 (d) For community colleges, state aid to community  
19 colleges paid under the Community College Foundation and  
20 Equalization Aid Act;

21 (e) For natural resources districts, state aid to natural  
22 resources districts paid pursuant to section 77-27,136;

23 (f) For educational service units, state aid appropriated  
24 under ~~section 79-1241~~, sections 79-1241.01 to 79-1241.03; and

25 (g) For local public health departments as defined in

1 section 71-1626, state aid as distributed under section 71-1628.08.

2 Sec. 2. Section 43-2007, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4 43-2007 (1) Upon notification by the patrol of a missing  
5 person, any school in which the missing person is currently or was  
6 previously enrolled shall flag the school records of such person  
7 in such school's possession. The school shall report immediately  
8 any request concerning a flagged record or any knowledge of the  
9 whereabouts of the missing person.

10 (2) Upon enrollment of a student for the first time  
11 in a public school district or private school system, the school  
12 of enrollment shall notify in writing the person enrolling the  
13 student that within thirty days he or she must provide either (a)  
14 a certified copy of the student's birth certificate or (b) other  
15 reliable proof of the student's identity and age accompanied by an  
16 affidavit explaining the inability to produce a copy of the birth  
17 certificate.

18 (3) ~~The parent or guardian of a child~~ Upon enrollment  
19 of a student who is receiving his or her education in a ~~home~~ an  
20 exempt school subject to sections 79-1601 to 79-1607, the parent  
21 or guardian of such student shall, ~~not later than October 1 of the~~  
22 ~~first year of the child's attendance at the home school,~~ provide  
23 to the Commissioner of Education either (a) a certified copy of  
24 the ~~child's~~ student's birth certificate or (b) other reliable  
25 proof of the ~~child's~~ student's identity and age accompanied by an

1 affidavit explaining the inability to produce a copy of the birth  
2 certificate.

3 (4) Upon failure of the person, parent, or guardian to  
4 comply with subsection (2) or (3) of this section, the school  
5 or Commissioner of Education shall notify such person, parent, or  
6 guardian in writing that unless he or she complies within ten  
7 days the matter shall be referred to the local law enforcement  
8 agency for investigation. If compliance is not obtained within  
9 such ten-day period, the school or commissioner shall immediately  
10 report such matter. Any affidavit received pursuant to subsection  
11 (2) or (3) of this section that appears inaccurate or suspicious  
12 in form or content shall be reported immediately to the local law  
13 enforcement agency by the school or commissioner.

14 (5) Any school requested to forward a copy of a  
15 transferred student's record shall not forward a copy of such  
16 record to the requesting school if the record has been flagged  
17 pursuant to subsection (1) of this section. If such record has been  
18 flagged, the school to whom such request is made shall notify the  
19 local law enforcement agency of the request and that such student  
20 is a reported missing person.

21 Sec. 3. Section 60-658, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 60-658 School bus shall mean any motor vehicle which  
24 complies with the color and identification requirements as provided  
25 in the laws of this state or set forth in the 1990 Revised Edition

1 ~~of the National Standards for School Buses and National Standards~~  
2 ~~for School Bus Operations,~~ available from the National Safety  
3 ~~Council,~~ general design, equipment, and color requirements adopted  
4 and promulgated pursuant to subdivision (13) of section 79-318 and  
5 which is used to transport ~~children~~ students to or from school  
6 or in connection with school activities but shall not include  
7 buses operated by common carriers in urban transportation of school  
8 ~~children.~~ students.

9           Sec. 4. Section 79-233, Reissue Revised Statutes of  
10 Nebraska, as amended by section 1, Legislative Bill 62, One Hundred  
11 First Legislature, First Session, 2009, is amended to read:

12           79-233 For purposes of sections 79-232 to 79-246:

13           (1) Enrollment option program means the program  
14 established in section 79-234;

15           (2) Option school district means the public school  
16 district that an option student chooses to attend instead of  
17 his or her resident school district;

18           (3) Option student means a student that has chosen to  
19 attend an option school district, including a student who resides  
20 in a learning community and began attendance as an option student  
21 in an option school district in such learning community prior to  
22 the end of the first full school year for which the option school  
23 district will be a member of such learning community, but not  
24 including a student who resides in a learning community and who  
25 attends pursuant to section 79-2110 another school district in such

1 learning community;

2 (4) Resident school district means the public school  
3 district in which a student resides or the school district in  
4 which the student is admitted as a resident of the school district  
5 pursuant to section 79-215; and

6 (5) Siblings means all children residing in the same  
7 household on a permanent basis who have the same mother or father  
8 or who are stepbrother or stepsister to each other.

9 Sec. 5. Section 79-234, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11 79-234 (1) An enrollment option program is hereby  
12 established to enable any kindergarten through twelfth grade  
13 Nebraska student to attend a school in a Nebraska public school  
14 district in which the student does not reside subject to the  
15 limitations prescribed in section 79-238. The option shall be  
16 available only once to each student prior to graduation unless  
17 (a) the student relocates to a different resident school district,  
18 (b) the option school district merges with another district, (c)  
19 the option school district is a Class I district, (d) the option  
20 would allow the student to continue current enrollment in a school  
21 district, or (e) the option would allow the student to enroll in  
22 a school district in which the student was previously enrolled as  
23 a resident student. ~~The option student shall be given the option~~  
24 ~~to attend school in another district at the time of relocation or~~  
25 ~~merger or upon completion of the grades offered at the Class I~~

1 ~~district.~~ In the case of an event described in subdivision (1) (a)  
2 or (b) of this section, the student's parent or guardian shall  
3 submit an application to the new option school district within  
4 thirty days after the date of relocation or the effective date of  
5 the merger. This subsection does not relieve a parent or guardian  
6 from the compulsory attendance requirements in section 79-201  
7 during the pendency of such application or approval.

8           (2) The program shall not apply to ~~(a)~~ any student  
9 who resides in a Class I district which has not affiliated and  
10 which contracts or has contracted in either or both of the two  
11 prior school years with another district or districts in such  
12 student's grade level pursuant to section 79-598 or ~~(b)~~ any student  
13 who resides in a district which has entered into an annexation  
14 agreement pursuant to section 79-473, except that such student may  
15 transfer to another district which accepts option students.

16           Sec. 6. Section 79-237, Reissue Revised Statutes of  
17 Nebraska, as amended by section 2, Legislative Bill 62, One Hundred  
18 First Legislature, First Session, 2009, is amended to read:

19           79-237 (1) For a student to begin attendance as an option  
20 student in an option school district which is not in a learning  
21 community in which the student resides, the student's parent or  
22 legal guardian shall submit an application to the school board  
23 of the option school district between September 1 and March 15  
24 for attendance during the following and subsequent school years.  
25 Applications submitted after March 15 shall be accompanied by a

1 ~~written release~~ contain a release approval from the resident school  
2 district on the application form prescribed and furnished by the  
3 State Department of Education pursuant to subsection (7) of this  
4 section. A district may not accept or approve any applications  
5 submitted after such date without such a release approval. The  
6 option school district shall provide the resident school district  
7 with the name of the applicant on or before April 1 or, in the  
8 case of an application submitted after March 15, within sixty  
9 days after submission. The option school district shall notify, in  
10 writing, the parent or legal guardian of the student, the resident  
11 school district, and the State Department of Education whether the  
12 application is accepted or rejected on or before April 1 or, in the  
13 case of an application submitted after March 15, within sixty days  
14 after submission.

15 (2) For a student who resides in a learning community  
16 to begin attendance in an option school district which is a  
17 member of such learning community, the student's parent or legal  
18 guardian shall submit an application to the school board of the  
19 option school district (a) for any learning community established  
20 prior to the effective date of this act, between the effective  
21 date of this act and April 1, 2009, or (b) for any learning  
22 community established thereafter, between September 1 and March 15.  
23 Applications submitted after such deadlines shall be accompanied  
24 by a written release from the resident school district. Students  
25 who reside in a learning community shall only begin attendance

1 in an option school district which is a member of such learning  
2 community prior to the end of the first full school year for  
3 which the option school district is a member of such learning  
4 community. The option school district shall provide the resident  
5 school district with the name of the applicant within five days  
6 after the applicable deadline. The option school district shall  
7 notify, in writing, the parent or legal guardian of the student,  
8 the resident school district, and the State Department of Education  
9 whether the application is accepted or rejected on or before  
10 April 10 for applications submitted for school year 2009-10 and  
11 on or before April 1 for applications submitted for any school  
12 year thereafter. A parent or guardian may provide information on  
13 the application regarding the applicant's potential qualification  
14 for free or reduced-price lunches. Any such information provided  
15 shall be subject to verification and shall only be used for the  
16 purposes of subsection ~~(3)~~ (4) of section 79-238. Nothing in  
17 this subsection requires a parent or guardian to provide such  
18 information. Determinations about an applicant's qualification for  
19 free or reduced-price lunches for purposes of subsection ~~(3)~~ (4) of  
20 section 79-238 shall be based on any verified information provided  
21 on the application. If no such information is provided, the student  
22 shall be presumed not to qualify for free or reduced-price lunches  
23 for the purposes of subsection ~~(3)~~ (4) of section 79-238.

24 (3) Applications for students who do not actually attend  
25 the option school district may be withdrawn in good standing upon

1 mutual agreement by both the resident and option school districts.

2 (4) No option student shall attend an option school  
3 district for less than one school year unless the student relocates  
4 to a different resident school district, completes requirements for  
5 graduation prior to the end of his or her senior year, transfers  
6 to a private or parochial school, or upon mutual agreement of the  
7 resident and option school districts cancels the enrollment option  
8 and returns to the resident school district.

9 (5) Except as provided in subsection (4) of this section,  
10 the option student shall attend the option school district until  
11 graduation unless the student relocates in a different resident  
12 school district, transfers to a private or parochial school, or  
13 chooses to return to the resident school district.

14 (6) In each case of cancellation pursuant to subsections  
15 (4) and (5) of this section, the student's parent or legal guardian  
16 shall ~~notify~~ provide written notification to the school board  
17 of the option school district, ~~and~~ the resident school district,  
18 and the department by ~~March 15 for automatic approval for the~~  
19 ~~following school year.~~ on forms prescribed and furnished by the  
20 department under subsection (7) of this section in advance of such  
21 cancellation.

22 (7) The application and cancellation forms shall be  
23 prescribed and furnished by the State Department of Education.

24 (8) An option student who subsequently chooses to attend  
25 a private or parochial school shall be automatically accepted to

1 return to either the resident school district or option school  
2 district upon the completion of the grade levels offered at the  
3 private or parochial school. If such student chooses to return to  
4 the option school district, the student's parent or legal guardian  
5 shall submit another application to the school board of the option  
6 school district which shall be automatically accepted, and the  
7 deadlines prescribed in this section shall be waived.

8           Sec. 7. Section 79-238, Reissue Revised Statutes of  
9 Nebraska, as amended by section 3, Legislative Bill 62, One Hundred  
10 First Legislature, First Session, 2009, is amended to read:

11           79-238 (1) Except as provided in section 79-240, the  
12 school board of the option school district shall adopt by  
13 resolution specific standards for acceptance and rejection of  
14 applications. Standards may include the capacity of a program,  
15 class, grade level, or school building or the availability of  
16 appropriate special education programs operated by the option  
17 school district. Capacity shall be determined by setting a  
18 maximum number of option students that a district will accept  
19 in any program, class, grade level, or school building, based  
20 upon available staff, facilities, projected enrollment of resident  
21 students, projected number of students with which the option school  
22 district will contract based on existing contractual arrangements,  
23 and availability of appropriate special education programs. The  
24 school board of the option school district may by resolution  
25 declare a program, a class, or a school unavailable to option

1 students due to lack of capacity. Standards shall not include  
2 previous academic achievement, athletic or other extracurricular  
3 ability, disabilities, proficiency in the English language, or  
4 previous disciplinary proceedings except as provided in section  
5 79-266.01. False or substantively misleading information submitted  
6 by a parent or guardian on an application to an option school  
7 district may be cause for the option school district to reject a  
8 previously accepted application if the rejection occurs prior to  
9 the student's attendance as an option student.

10 (2) The school board of every school district shall also  
11 adopt standards and conditions for acceptance or rejection of a  
12 request for release of a resident student submitting an application  
13 to an option school district after March 15 under subsection (1) of  
14 section 79-237.

15 ~~(2)~~ (3) Any option school district shall give first  
16 priority for enrollment to siblings of option students, except that  
17 the option school district shall not be required to accept the  
18 sibling of an option student if the district is at capacity except  
19 as provided in ~~subsections (2) and (4)~~ subsection (1) of section  
20 79-240.

21 ~~(3)~~ (4) Any option school district that is in a learning  
22 community shall give second priority for enrollment to students  
23 who reside in the learning community and who contribute to the  
24 socioeconomic diversity of enrollment as defined in section 79-2110  
25 at the school building to which the student will be assigned

1 pursuant to section 79-235.

2           Sec. 8. Section 79-239, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           79-239 If an application is rejected by the option school  
5 district or ~~by~~ if the resident school district rejects a request  
6 for release under subsection (1) of section 79-237, the rejecting  
7 school district shall ~~state in the notification the reason for the~~  
8 ~~rejection.~~ provide written notification to the parent or guardian  
9 stating the reasons for the rejection and the process for appealing  
10 such rejection to the State Board of Education. Such notification  
11 shall be sent by certified mail. The parent or legal guardian may  
12 appeal a rejection to the State Board of Education by filing a  
13 written request, together with a copy of the rejection notice,  
14 with the State Board of Education. Such request and copy of the  
15 notice must be received by the board within thirty days after the  
16 date the notification of the rejection was received by the parent  
17 or legal guardian. Such hearing shall be held in accordance with  
18 the Administrative Procedure Act and shall determine whether the  
19 procedures of sections 79-234 to 79-241 have been followed.

20           Sec. 9. Section 79-240, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           79-240 ~~(1) Upon agreement of the school boards or boards~~  
23 ~~of education of the resident school district and the option school~~  
24 ~~district, the deadlines for application and approval or rejection~~  
25 ~~prescribed in section 79-237 may be waived.~~

1           ~~(2)~~ (1) The application of a student who relocates in a  
 2 different school district but wants to continue attending his or  
 3 her original resident school district and who has been enrolled in  
 4 his or her original resident school district for the immediately  
 5 preceding two years shall be automatically accepted, and the  
 6 deadlines prescribed in section 79-237 shall be waived.

7           ~~(3)~~ (2) The application of an option student who  
 8 relocates in a different school district but wants to continue  
 9 attending the option school district shall be automatically  
 10 accepted, and the deadlines prescribed in section 79-237 shall be  
 11 waived.

12           ~~(4)~~ The sibling of any option student who has, before  
 13 April 6, 1996, been accepted as an option student in the district  
 14 in which the option student is enrolled shall be eligible to  
 15 continue attending the option school district as an option student  
 16 as provided in section 79-234.

17           Sec. 10. Section 79-2,104, Reissue Revised Statutes of  
 18 Nebraska, is amended to read:

19           79-2,104 (1) Any student in any public school or  
 20 his or her parents, guardians, teachers, counselors, or school  
 21 administrators shall have access to the school's files or records  
 22 maintained concerning such student, including the right to inspect,  
 23 review, and obtain copies of such files or records. No other person  
 24 shall have access to such files or records, ~~and the~~ except (a) when  
 25 a parent, guardian, or student of majority age provides written

1 consent or (b) as provided in subsection (3) of this section. The  
2 contents of such files or records shall not be divulged in any  
3 manner to any unauthorized person. All such files or records shall  
4 be maintained so as to separate academic and disciplinary matters,  
5 and all disciplinary material shall be removed and destroyed after  
6 a student's continuous absence from the school for a period of  
7 three years.

8 (2) Each public school may establish a schedule of fees  
9 representing a reasonable cost of reproduction for copies of a  
10 student's files or records for the parents or guardians of such  
11 student, except that the imposition of a fee shall not prevent  
12 parents of students from exercising their right to inspect and  
13 review the students' files or records and no fee shall be charged  
14 to search for or retrieve any student's files or records.

15 ~~(3)~~ (3)(a) This section does not preclude authorized  
16 representatives of ~~(a)~~ (i) auditing officials of the United  
17 States, ~~(b)~~ (ii) auditing officials of this state, or ~~(c)~~  
18 (iii) state educational authorities from having access to student  
19 or other records which are necessary in connection with the  
20 audit and evaluation of federally supported or state-supported  
21 education programs or in connection with the enforcement of  
22 legal requirements which relate to such programs, except that,  
23 when collection of personally identifiable data is specifically  
24 authorized by law, any data collected by such officials with  
25 respect to individual students shall be protected in a manner

1 which shall not permit the personal identification of students  
2 and their parents by other than the officials listed in this  
3 subsection. Personally identifiable data shall be destroyed when no  
4 longer needed for such audit, evaluation, or enforcement of legal  
5 requirements.

6 (b) This section does not preclude or prohibit the  
7 disclosure of student records to any other person or entity which  
8 may be allowed to have access pursuant to the federal Family  
9 Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g,  
10 as such act existed on January 1, 2009, and regulations adopted  
11 thereunder.

12 Sec. 11. Section 79-2,105, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 79-2,105 A copy of a public or private school's files  
15 or records concerning a student, including academic material and  
16 any disciplinary material relating to any suspension or expulsion,  
17 shall be provided at no charge, upon request, to any public or  
18 private school to which the student transfers.

19 Sec. 12. Section 79-304, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 79-304 The Commissioner of Education shall ~~(1)~~ (1) (a) be  
22 a person of superior educational attainments, ~~(2)~~ (b) have had  
23 many years of experience, ~~(3)~~ (c) have demonstrated personal and  
24 professional leadership in the administration of public education,  
25 and ~~(4)~~ (d) be eligible to qualify for the highest grade of

1 school administrator certificate currently issued in the state  
2 or (2) possess a combination of education, skills, administrative  
3 experiences in public education, and other such qualifications as  
4 determined by the State Board of Education.

5 Sec. 13. Section 79-305, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7 79-305 The Commissioner of Education as the executive  
8 officer of the State Board of Education shall: (1) Have an  
9 office in the city of Lincoln in which shall be housed the  
10 records of the State Board of Education and the State Department  
11 of Education, which records shall be subject at all times to  
12 examination by the Governor, the Auditor of Public Accounts,  
13 and committees of the Legislature; (2) keep the board currently  
14 informed and advised on the operation and status of all aspects  
15 of the educational program of the state under its jurisdiction;  
16 (3) prepare a budget for financing the activities of the board and  
17 the department, including the internal operation and maintenance  
18 of the department, and upon approval by the board administer the  
19 same in accordance with appropriations by the Legislature; (4)  
20 voucher the expenses of the department according to the rules  
21 and regulations prescribed by the board; (5) be responsible for  
22 promoting the efficiency, welfare, and improvement in the school  
23 system in the state and for recommending to the board such  
24 policies, standards, rules, and regulations as may be necessary  
25 to attain these purposes; (6) promote educational improvement by

1 (a) outlining and carrying out plans and conducting essential  
2 activities for the preparation of curriculum and other materials,  
3 (b) providing necessary supervisory and consultative services,  
4 (c) holding conferences of professional educators and other civic  
5 leaders, (d) conducting research, experimentation, and evaluation  
6 of school programs and activities, and (e) in other ways assisting  
7 in the development of effective education in the state; ~~(7) decide~~  
8 ~~disputed points of school law, which decisions shall have the~~  
9 ~~force of law until changed by the courts;~~ ~~(8)~~ (7) issue teachers'  
10 certificates according to the provisions of law and the rules  
11 and regulations prescribed by the board; and ~~(9)~~ (8) attend or,  
12 in case of necessity, designate a representative to attend all  
13 meetings of the board except when the order of business of the  
14 board is the selection of a Commissioner of Education. None of the  
15 duties prescribed in this section or in section 79-306 prevent the  
16 commissioner from exercising such other duties as in his or her  
17 judgment and with the approval of the board are necessary to the  
18 proper and legal exercise of his or her obligations.

19           Sec. 14. Section 79-306, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21           79-306 The Commissioner of Education shall be the  
22 administrative head of the State Department of Education and  
23 as such shall ~~have the authority to~~ (1) have the authority to  
24 delegate administrative and supervisory functions to the members  
25 of the staff of the department, (2) establish and maintain an

1 appropriate system of personnel administration for the department,  
2 (3) prescribe such administrative rules and regulations as are  
3 necessary for the proper execution of duties and responsibilities  
4 placed upon him or her, ~~and~~ (4) perform all duties prescribed by  
5 the Legislature in accordance with the policies adopted by the  
6 State Board of Education, and (5) faithfully execute the policies  
7 and directives of the State Board of Education.

8           Sec. 15. Section 79-310, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           79-310 The State Board of Education shall be composed of  
11 eight members who shall be elected as provided in section 32-511.  
12 The Commissioner of Education shall not be a member of the State  
13 Board of Education.

14           Sec. 16. Section 79-313, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           79-313 No person shall be eligible to membership on  
17 the State Board of Education (1) who is actively engaged in the  
18 teaching profession, (2) who is a holder of any state office,  
19 or a member of a state board or commission unless the board or  
20 commission is limited to an advisory capacity, ~~or a candidate~~  
21 ~~for any state office, or board or commission unless the board or~~  
22 ~~commission is limited to an advisory capacity,~~ or (3) unless he or  
23 she is a citizen of the United States, a resident of the state for  
24 a period of at least six months, and a resident of the district  
25 from which he or she is elected for a period of at least six months

1 immediately preceding his or her election.

2           Sec. 17. Section 79-317, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           79-317 (1) The State Board of Education shall meet  
5 regularly and periodically in the office of the State Department  
6 of Education at least four times annually. ~~Meetings shall be held~~  
7 ~~during the first full week in June and during the first full week~~  
8 ~~in December of each year. The board may meet and at such other~~  
9 times and places as it may determine necessary for the proper and  
10 efficient conduct of its duties. ~~Special~~ All meetings may ~~shall~~ be  
11 called in accordance with this section and the Open Meetings Act.  
12 Five members of the board shall constitute a quorum.

13           (2) The public shall be admitted to all meetings of the  
14 State Board of Education except to such closed sessions as the  
15 board may direct in accordance with the Open Meetings Act. The  
16 board shall cause to be kept a record of all public meetings  
17 and proceedings of the board. The commissioner, or his or her  
18 designated representative, shall be present at all meetings except  
19 when the order of business for the board is the selection of a  
20 Commissioner of Education.

21           (3) The members of the State Board of Education shall  
22 receive no compensation for their services but shall be reimbursed  
23 for actual and essential expenses incurred in attending meetings or  
24 incurred in the performance of duties as directed by the board as  
25 provided in sections 81-1174 to 81-1177.

1           Sec. 18. Section 79-318, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           79-318 The State Board of Education shall:

4           (1) Appoint and fix the compensation of the Commissioner  
5 of Education;

6           (2) Remove the commissioner from office at any time for  
7 conviction of any crime involving moral turpitude or felonious act,  
8 for inefficiency, or for willful and continuous disregard of his or  
9 her duties as commissioner or of the directives of the board;

10          (3) Upon recommendation of the commissioner, appoint and  
11 fix the compensation of a deputy commissioner and all professional  
12 employees of the board;

13          (4) Organize the State Department of Education into such  
14 divisions, branches, or sections as may be necessary or desirable  
15 to perform all its proper functions and to render maximum service  
16 to the board and to the state school system;

17          (5) Provide, through the commissioner and his or her  
18 professional staff, enlightened professional leadership, guidance,  
19 and supervision of the state school system, including educational  
20 service units. In order that the commissioner and his or her  
21 staff may carry out their duties, the board shall, through the  
22 commissioner: (a) Provide supervisory and consultation services  
23 to the schools of the state; (b) issue materials helpful in the  
24 development, maintenance, and improvement of educational facilities  
25 and programs; (c) establish rules and regulations which govern

1 standards and procedures for the approval and legal operation  
2 of all schools in the state and for the accreditation of all  
3 schools requesting state accreditation. All public, private,  
4 denominational, or parochial schools shall either comply with  
5 the accreditation or approval requirements prescribed in this  
6 section and section 79-703 or, for those schools which elect not  
7 to meet accreditation or approval requirements, the requirements  
8 prescribed in subsections (2) through (6) of section 79-1601.  
9 Standards and procedures for approval and accreditation shall  
10 be based upon the program of studies, guidance services, the  
11 number and preparation of teachers in relation to the curriculum  
12 and enrollment, instructional materials and equipment, science  
13 facilities and equipment, library facilities and materials, and  
14 health and safety factors in buildings and grounds. Rules and  
15 regulations which govern standards and procedures for private,  
16 denominational, and parochial schools which elect, pursuant to the  
17 procedures prescribed in subsections (2) through (6) of section  
18 79-1601, not to meet state accreditation or approval requirements  
19 shall be as described in such section; (d) institute a statewide  
20 system of testing to determine the degree of achievement and  
21 accomplishment of all the students within the state's school  
22 systems if it determines such testing would be advisable;  
23 (e) prescribe a uniform system of records and accounting for  
24 keeping adequate educational and financial records, for gathering  
25 and reporting necessary educational data, and for evaluating

1 educational progress; (f) cause to be published laws, rules, and  
2 regulations governing the schools and the school lands and funds  
3 with explanatory notes for the guidance of those charged with the  
4 administration of the schools of the state; (g) approve teacher  
5 education programs conducted in Nebraska postsecondary educational  
6 institutions designed for the purpose of certificating teachers  
7 and administrators; (h) approve teacher evaluation policies and  
8 procedures developed by school districts and educational service  
9 units; and (i) approve general plans and adopt educational  
10 policies, standards, rules, and regulations for carrying out the  
11 board's responsibilities and those assigned to the State Department  
12 of Education by the Legislature;

13           (6) Adopt and promulgate rules and regulations for  
14 the guidance, supervision, accreditation, and coordination of  
15 educational service units. Such rules and regulations for  
16 accreditation shall include, but not be limited to, (a) a  
17 requirement that programs and services offered to school districts  
18 by each educational service unit shall be evaluated on a regular  
19 basis, but not less than every seven years, to assure that  
20 educational service units remain responsive to school district  
21 needs and (b) guidelines for the use and management of funds  
22 generated from the property tax levy and from other sources of  
23 revenue as may be available to the educational service units,  
24 to assure that public funds are used to accomplish the purposes  
25 and goals assigned to the educational service units by section

1 79-1204. The State Board of Education shall establish procedures to  
2 encourage the coordination of activities among educational service  
3 units and to encourage effective and efficient educational service  
4 delivery on a statewide basis;

5 (7) Submit a biennial report to the Governor and the  
6 Clerk of the Legislature covering the actions of the board, the  
7 operations of the State Department of Education, and the progress  
8 and needs of the schools and recommend such legislation as may be  
9 necessary to satisfy these needs;

10 (8) Prepare and distribute reports designed to acquaint  
11 school district officers, teachers, and patrons of the schools with  
12 the conditions and needs of the schools;

13 (9) Provide for consultation with professional educators  
14 and lay leaders for the purpose of securing advice deemed necessary  
15 in the formulation of policies and in the effectual discharge of  
16 its duties;

17 (10) Make studies, investigations, and reports and  
18 assemble information as necessary for the formulation of policies,  
19 for making plans, for evaluating the state school program, and for  
20 making essential and adequate reports;

21 (11) Submit to the Governor and the Legislature a  
22 budget necessary to finance the state school program under its  
23 jurisdiction, including the internal operation and maintenance of  
24 the State Department of Education;

25 (12) Interpret its own policies, standards, rules, and

1 regulations and, upon reasonable request, hear complaints and  
2 disputes arising therefrom;

3           (13) With the advice of the Department of Motor Vehicles,  
4 adopt and promulgate rules and regulations containing reasonable  
5 standards, not inconsistent with existing statutes, governing: (a)  
6 The general design, equipment, color, operation, and maintenance of  
7 any vehicle with a manufacturer's rated seating capacity of eleven  
8 or more passengers used for the transportation of ~~school children,~~  
9 public, private, denominational, or parochial school students; and  
10 (b) the equipment, operation, and maintenance of any vehicle with  
11 a capacity of ten or less passengers used for the transportation  
12 of public, private, denominational, or parochial school students,  
13 when such vehicles are owned, operated, or owned and operated by  
14 any public, private, denominational, or parochial school district  
15 or privately owned or operated under contract with any such school  
16 district in this state, except for vehicles owned by individuals  
17 operating a school which elects pursuant to section 79-1601 not  
18 to meet accreditation or approval requirements. Similar rules and  
19 regulations shall be adopted and promulgated for operators of such  
20 vehicles as provided in section 79-607;

21           (14) Accept, on behalf of the Nebraska Center for the  
22 Education of Children who are Blind or Visually Impaired, ~~formerly~~  
23 ~~the Nebraska School for the Visually Handicapped,~~ devise of real  
24 property or donations or bequests of other property, or both, if in  
25 its judgment any such devise, donation, or bequest is for the best

1 interest of the center or the students receiving services from the  
2 center, or both, and irrigate or otherwise improve any such real  
3 estate when in the board's judgment it would be advisable to do so;  
4 and

5 (15) Upon acceptance of any devise, donation, or bequest  
6 as provided in this section, administer and carry out such devise,  
7 donation, or bequest in accordance with the terms and conditions  
8 thereof. If not prohibited by the terms and conditions of any such  
9 devise, donation, or bequest, the board may sell, convey, exchange,  
10 or lease property so devised, donated, or bequeathed upon such  
11 terms and conditions as it deems best and remit all money derived  
12 from any such sale or lease to the State Treasurer for credit to  
13 the State Department of Education Trust Fund.

14 Each member of the Legislature shall receive a copy of  
15 the report required by subdivision (7) of this section by making a  
16 request for it to the commissioner.

17 None of the duties prescribed in this section shall  
18 prevent the board from exercising such other duties as in its  
19 judgment may be necessary for the proper and legal exercise of its  
20 obligations.

21 Sec. 19. Section 79-319, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 79-319 The State Board of Education has the authority to  
24 (1) provide for the education of and approve special educational  
25 facilities and programs provided in the public schools for children

1 with disabilities, (2) act as the state's authority for the  
2 approval of all types of veterans educational programs and have  
3 jurisdiction over the administration and supervision of on-the-job  
4 and apprenticeship training, on-the-farm training, and flight  
5 training programs for veterans which are financially supported  
6 in whole or in part by the federal government, (3) supervise and  
7 administer any educational or training program established within  
8 the state by the federal government, except postsecondary education  
9 in approved colleges, (4) coordinate educational activities in the  
10 state that pertain to elementary and secondary education and such  
11 other educational programs as are placed by statute under the  
12 jurisdiction of the board, (5) receive and distribute according to  
13 law any money, commodities, goods, or services made available to  
14 the board from the state or federal government or from any other  
15 source and distribute money in accordance with the terms of any  
16 grant received, including the distribution of money from grants by  
17 the federal government to schools, preschools, day care centers,  
18 day care homes, nonprofit agencies, and political subdivisions of  
19 the state or institutions of learning not owned or exclusively  
20 controlled by the state or a political subdivision thereof, so  
21 long as no public funds of the state, any political subdivision,  
22 or any public corporation are added to such federal grants, (6)  
23 publish, from time to time, directories of schools and educators,  
24 pamphlets, curriculum guides, rules and regulations, handbooks on  
25 school constitution and other matters of interest to educators, and

1 similar publications. Such publications may be distributed without  
2 charge to schools and school officials within this state or may be  
3 sold at a price not less than the actual cost of printing. The  
4 proceeds of such sale shall be remitted to the State Treasurer for  
5 credit to the State Department of Education Cash Fund which may  
6 be used by the State Department of Education for the purpose of  
7 printing and distributing further such publications on a nonprofit  
8 basis. The board shall furnish eight copies of such publications  
9 to the Nebraska Publications Clearinghouse, and (7) when necessary  
10 for the proper administration of the functions of the department  
11 and with the approval of the Governor and the Department of  
12 Administrative Services, rent or lease space outside the State  
13 Capitol.

14           Sec. 20. Section 79-528, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           79-528 (1)(a) On or before July 20 in all school  
17 districts, the superintendent ~~or head administrator~~ shall file  
18 with the State Department of Education a report ~~under oath~~ showing  
19 the number of children from five through eighteen years of age  
20 belonging to the school district according to the census taken as  
21 provided in sections 79-524 and 79-578. ~~The report shall identify~~  
22 ~~the number of boys and the number of girls in each of the~~  
23 ~~respective age categories.~~ On or before July 20, school districts  
24 that are members of learning communities shall provide the learning  
25 community coordinating council with a copy of the report filed

1 with the department. On or before August 1, each learning community  
2 coordinating council shall file with the department a report  
3 showing the number of children from five through eighteen years  
4 of age belonging to the member school districts according to the  
5 school district reports filed with the department.

6 (b) Each Class I school district which is part of a Class  
7 VI school district offering instruction (i) in grades kindergarten  
8 through five shall report children from five through ten years  
9 of age, (ii) in grades kindergarten through six shall report  
10 children from five through eleven years of age, and (iii) in grades  
11 kindergarten through eight shall report children from five through  
12 thirteen years of age.

13 (c) Each Class VI school district offering instruction  
14 (i) in grades six through twelve shall report children who are  
15 eleven through eighteen years of age, (ii) in grades seven through  
16 twelve shall report children who are twelve through eighteen years  
17 of age, and (iii) in grades nine through twelve children who are  
18 fourteen through eighteen years of age.

19 (d) Each Class I district which has affiliated in whole  
20 or in part shall report children from five through thirteen years  
21 of age.

22 (e) Each Class II, III, IV, or V district shall report  
23 children who are fourteen through eighteen years of age residing in  
24 Class I districts or portions thereof which have affiliated with  
25 such district.

1           (f) The board of any district neglecting to take and  
2 report the enumeration shall be liable to the school district for  
3 all school money which such district may lose by such neglect.

4           (2) On or before June 30 the superintendent ~~or head~~  
5 ~~administrator~~ of each school district shall file with the  
6 Commissioner of Education a report ~~under oath~~ described as an  
7 end-of-the-school-year annual statistical summary showing (a) the  
8 number of children attending school during the year under five  
9 years of age, (b) the length of time the school has been taught  
10 during the year by a qualified teacher, (c) the length of time  
11 taught by each substitute teacher, and (d) such other information  
12 as the Commissioner of Education directs. On or before June 30,  
13 school districts that are members of learning communities shall  
14 also provide the learning community coordinating council with a  
15 copy of the report filed with the commissioner. On or before  
16 July 15, each learning community coordinating council shall file  
17 with the commissioner an end-of-the-school-year annual statistical  
18 summary for the learning community based on the member school  
19 districts according to the school district reports filed with the  
20 commissioner.

21           (3)(a) On or before November 1 the superintendent ~~or~~  
22 ~~head administrator~~ of each school district shall submit to the  
23 Commissioner of Education, ~~to be filed in his or her office,~~  
24 ~~a report under oath~~ a report described as the annual financial  
25 report showing (i) the amount of money received from all sources

1 during the year and the amount of money expended by the school  
2 district during the year, (ii) the amount of bonded indebtedness,  
3 (iii) such other information as shall be necessary to fulfill  
4 the requirements of the Tax Equity and Educational Opportunities  
5 Support Act and section 79-1114, and (iv) such other information as  
6 the Commissioner of Education directs.

7 (b) On or before November 1, school districts that are  
8 members of learning communities shall also provide the learning  
9 community coordinating council with a copy of the report submitted  
10 to the commissioner. On or before November 15, each learning  
11 community coordinating council shall submit to the commissioner,  
12 to be filed in his or her office, a report described as the  
13 annual financial report showing (i) the aggregate amount of money  
14 received from all sources during the year for all member school  
15 districts and the aggregate amount of money expended by member  
16 school districts during the year, (ii) the aggregate amount of  
17 bonded indebtedness for all member school districts, (iii) such  
18 other aggregate information as shall be necessary to fulfill  
19 the requirements of the Tax Equity and Educational Opportunities  
20 Support Act and section 79-1114 for all member school districts,  
21 and (iv) such other aggregate information as the Commissioner of  
22 Education directs for all member school districts.

23 (4) (a) On or before October 15 of each year, the  
24 superintendent ~~or head administrator~~ of each school district shall  
25 ~~deliver to the department~~ file with the commissioner the fall

1 school district membership report, which report shall include the  
2 number of children from birth through twenty years of age enrolled  
3 in the district on the last Friday in September of a given school  
4 year. The report shall enumerate (i) students by grade level, (ii)  
5 school district levies and total assessed valuation for the current  
6 fiscal year, and (iii) such other information as the Commissioner  
7 of Education directs.

8 (b) On or before October 15 of each year, school  
9 districts that are members of learning communities shall also  
10 provide the learning community coordinating council with a copy of  
11 the report delivered to the department. On or before October 31  
12 of each year, each learning community coordinating council shall  
13 deliver to the department the fall learning community membership  
14 report, which report shall include the aggregate number of children  
15 from birth through twenty years of age enrolled in the member  
16 school districts on the last Friday in September of a given  
17 school year for all member school districts. The report shall  
18 enumerate (i) the aggregate students by grade level for all member  
19 school districts, (ii) learning community levies and total assessed  
20 valuation for the current fiscal year, and (iii) such other  
21 information as the Commissioner of Education directs.

22 (c) When any school district or learning community  
23 fails to submit its fall membership report by November 1, the  
24 commissioner shall, after notice to the district and an opportunity  
25 to be heard, direct that any state aid granted pursuant to the

1 Tax Equity and Educational Opportunities Support Act be withheld  
2 until such time as the report is received by the department. In  
3 addition, the commissioner shall direct the county treasurer to  
4 withhold all school money belonging to the school district or  
5 learning community until such time as the commissioner notifies the  
6 county treasurer of receipt of such report. The county treasurer  
7 shall withhold such money. For school districts that are members  
8 of learning communities, a determination of school money belonging  
9 to the district shall be based on the proportionate share of state  
10 aid and property tax receipts allocated to the school district  
11 by the learning community coordinating council, and the treasurer  
12 of the learning community coordinating council shall withhold any  
13 such school money in the possession of the learning community from  
14 the school district. If a school district that is a member of  
15 a learning community fails to provide a copy of the report to  
16 the learning community coordinating council on or before October  
17 15, the learning community coordinating council shall complete the  
18 fall learning community membership report with information from the  
19 reports received from other member school districts.

20           Sec. 21. Section 79-569, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           79-569 The president of the school board of a Class I,  
23 II, III, IV, or VI school district shall: (1) Preside at all  
24 meetings of the district; (2) countersign all orders upon the  
25 treasury for money to be disbursed by the district and all warrants

1 of the secretary on the county treasurer for money raised for  
2 district purposes or apportioned to the district by the county  
3 treasurer; (3) administer the oath to the secretary and treasurer  
4 of the district when such an oath is required by law in the  
5 transaction of the business of the district; and (4) perform such  
6 other duties as may be required by law of the president of the  
7 board. He or she is entitled to vote on any issue that may come  
8 before any meeting. If the president of the school board of a  
9 Class I school district is absent from any district meeting, the  
10 legal voters present may elect a suitable person to preside at the  
11 meeting.

12           Sec. 22. Section 79-598, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           79-598 (1) The school board of any public school district  
15 in this state, when authorized by a majority of the votes cast  
16 at any annual or special meeting, shall (a) contract with the  
17 board of any neighboring public school district or districts for  
18 the instruction of all or any part of the pupils residing in the  
19 first named district in the school or schools maintained by the  
20 neighboring public school district or districts for a period of  
21 time not to exceed ~~three~~ two years and (b) make provision for  
22 the transportation of such pupils to the school or schools of the  
23 neighboring public school district or districts.

24           (2) The school board of any public school district may  
25 also, when petitioned to do so by at least two-thirds of the

1 parents residing in the district having children of school age  
2 who will attend school under the contract plan, (a) contract with  
3 the board of any neighboring public school district or districts  
4 for the instruction of all or any part of the pupils residing in  
5 the first named district in the school or schools maintained by  
6 the neighboring public school district or districts for a period  
7 of time not to exceed ~~three~~ two years and (b) make provision for  
8 the transportation of such pupils to the school or schools of the  
9 neighboring public school district or districts.

10 (3) The contract price for instruction referred to in  
11 subsections (1) and (2) of this section shall be the cost per  
12 pupil for the immediately preceding school year or the current  
13 year, whichever appears more practical as determined by the board  
14 of the district which accepts the pupils for instruction. The  
15 cost per pupil shall be determined by dividing the sum of  
16 the operational cost and debt service expense of the accepting  
17 district, except retirement of debt principal, plus three percent  
18 of the insurable or present value of the school plant and equipment  
19 of the accepting district, by the average daily membership of  
20 pupils in the accepting district. Payment of the contract price  
21 shall be made in equal installments at the beginning of the first  
22 and second semesters.

23 (4) All the contracts referred to in subsections (1) and  
24 (2) of this section shall be in writing, and copies of all such  
25 contracts shall be filed in the office of the superintendent of the

1 primary high school district on or before August 15 of each year.  
2 School districts thus providing instruction for their children in  
3 neighboring districts shall be considered as maintaining a school  
4 as required by law. The teacher of the school providing the  
5 instruction shall keep a separate record of the attendance of all  
6 pupils from the first named district and make a separate report to  
7 the secretary of that district. The board of every sending district  
8 contracting under this section shall enter into contracts with  
9 school districts of the choice of the parents of the children to  
10 be educated under the contract plan. Any school district failing to  
11 comply with this section shall not be paid any funds from the state  
12 apportionment of school funds while such violation continues.

13 (5) The State Committee for the Reorganization of School  
14 Districts may dissolve any district (a) failing to comply with  
15 this section, (b) in which the votes cast at an annual or  
16 special election on the question of contracting with a neighboring  
17 district are evenly divided, or (c) in which the governing body  
18 of the district is evenly divided in its vote on the question  
19 of contracting pursuant to subsection (2) of this section. The  
20 state committee shall dissolve and attach to a neighboring district  
21 or districts any school district which, for ~~five~~ two consecutive  
22 years, contracts for the instruction of its pupils, except that  
23 when such dissolution will create extreme hardships on the pupils  
24 or the district affected, the State Board of Education may,  
25 on application by the school board of the district, waive the

1 requirements of this subsection. The dissolution of any school  
2 district pursuant to this section shall be effected in the manner  
3 prescribed in section 79-498. ~~School districts that have contracted~~  
4 ~~for instruction for two or more consecutive years shall, before~~  
5 ~~reopening the schoolhouse within the district, have an enrollment~~  
6 ~~of at least five pupils whose parents or legal guardians are~~  
7 ~~legal voters of the school district and shall apply to the state~~  
8 ~~committee for approval to reopen that schoolhouse for school use.~~

9           Sec. 23. Section 79-606, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11           79-606 When any vehicle with a manufacturer's rated  
12 seating capacity of eleven or more passengers used for  
13 transportation of ~~children~~ students is sold and used for any other  
14 purpose than for transportation of ~~school children,~~ students,  
15 such vehicle shall be painted a distinct color other than that  
16 prescribed by the State Board of Education and the stop arms  
17 and system of alternately flashing warning signal lights on  
18 such vehicle shall be removed. It shall be the purchaser's  
19 responsibility to see that the modifications required by this  
20 section are made. Any person violating this section shall be guilty  
21 of a Class V misdemeanor and, upon conviction thereof, be fined not  
22 less than twenty-five dollars nor more than one hundred dollars.

23           Sec. 24. Section 79-608, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25           79-608 (1) Any person, before operating a school bus,

1 including any school bus which transports ~~pupils~~ students by  
2 direct contract with the ~~pupils~~ students or their parents and not  
3 owned by or under contract with the school district or nonpublic  
4 school, ~~before the opening of a school term or before operating~~  
5 ~~a school bus,~~ shall each year shall submit himself or herself  
6 to (a) an examination, to be conducted by a driver's license  
7 examiner of the Department of Motor Vehicles, to determine his  
8 or her qualifications to operate such bus and (b) an examination  
9 by a licensed physician to determine whether or not he or she  
10 meets the physical and mental standards established pursuant to  
11 section 79-607 and shall furnish to the school board or board of  
12 education or the governing authority of a nonpublic school and  
13 to the Director of Motor Vehicles a written report of each such  
14 examination on standard forms prescribed by the State Department of  
15 Education, signed by the person conducting the same, showing that  
16 he or she is qualified to operate a school bus and that he or she  
17 meets the physical and mental standards. If the Director of Motor  
18 Vehicles determines that the person is so qualified and meets such  
19 standards, the director shall issue to the person a special school  
20 bus operator's permit, which shall expire each year on the date of  
21 birth of the holder, in such form as the director prescribes. ~~shall~~  
22 ~~be issued to him or her.~~ No contract shall be entered into until  
23 such permit has been received and exhibited to the school board  
24 ~~or board of education~~ or the governing authority of a nonpublic  
25 school. The holder of such permit shall have it on his or her

1 person at all times while operating a school bus.

2 (2) It shall be unlawful for any person operating a  
3 school bus to be or remain on duty for a longer period than  
4 sixteen consecutive hours. When any person operating a bus has been  
5 continuously on duty for sixteen hours, he or she shall be relieved  
6 and not be permitted or required to again go on duty without  
7 having at least ten consecutive hours' rest off duty, and no such  
8 operator, who has been on duty sixteen hours in the aggregate  
9 in any twenty-four-hour period, shall be required or permitted to  
10 continue or again go on duty without having had at least eight  
11 consecutive hours off duty.

12 (3) Any person violating this section shall be guilty of  
13 a Class V misdemeanor. His or her contract with the school district  
14 shall be canceled as provided in section 79-607.

15 Sec. 25. Section 79-611, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 79-611 (1) The school board of any school district  
18 shall ~~either~~ provide free transportation, partially provide free  
19 transportation, or pay an allowance for transportation in lieu of  
20 free transportation as follows:

21 (a) When a student attends an elementary school in his  
22 or her own district and lives more than four miles from the public  
23 schoolhouse in such district as measured by the shortest route that  
24 must actually and necessarily be traveled by motor vehicle to reach  
25 the student's residence;

1           (b) When a student is required to attend an elementary  
2 school outside of his or her own district and lives more than four  
3 miles from such elementary school as measured by the shortest route  
4 that must actually and necessarily be traveled by motor vehicle to  
5 reach the student's residence;

6           (c) When a student attends a secondary school in his or  
7 her own Class II or Class III school district and lives more than  
8 four miles from the public schoolhouse as measured by the shortest  
9 route that must actually and necessarily be traveled by motor  
10 vehicle to reach the student's residence. This subdivision does not  
11 apply when one or more Class I school districts merge with a Class  
12 VI school district to form a new Class II or III school district on  
13 or after January 1, 1997; and

14           (d) When a student, other than a student in grades  
15 ten through twelve in a Class V district, attends an elementary  
16 or junior high school in his or her own Class V district and  
17 lives more than four miles from the public schoolhouse in such  
18 district as measured by the shortest route that must actually and  
19 necessarily be traveled by motor vehicle to reach the student's  
20 residence.

21           (2)(a) The school board of any school district that is  
22 a member of a learning community shall provide free transportation  
23 for a student who resides in such learning community and attends  
24 school in such school district if (i) the student is transferring  
25 pursuant to the open enrollment provisions of section 79-2110,

1 qualifies for free or reduced-price lunches, and lives more than  
2 one mile from the school to which he or she transfers, (ii)  
3 the student is transferring pursuant to such open enrollment  
4 provisions, is a student who contributes to the socioeconomic  
5 diversity of enrollment at the school building he or she attends,  
6 and lives more than one mile from the school to which he or she  
7 transfers, (iii) the student is attending a focus school or program  
8 and lives more than one mile from the school building housing the  
9 focus school or program, or (iv) the student is attending a magnet  
10 school or program and lives more than one mile from the magnet  
11 school or the school housing the magnet program.

12 (b) For purposes of this subsection, student who  
13 contributes to the socioeconomic diversity of enrollment at the  
14 school building he or she attends has the definition found in  
15 section 79-2110. This subsection does not prohibit a school  
16 district that is a member of a learning community from providing  
17 transportation to any intradistrict student.

18 (3) The transportation allowance which may be paid to  
19 the parent, custodial parent, or guardian of students qualifying  
20 for free transportation pursuant to subsection (1) or (2) of this  
21 section shall equal two hundred eighty-five percent of the mileage  
22 rate provided in section 81-1176, multiplied by each mile actually  
23 and necessarily traveled, on each day of attendance, beyond which  
24 the one-way distance from the residence of the student to the  
25 schoolhouse exceeds three miles.

1           (4) Whenever students from more than one family travel to  
2 school in the same vehicle, the transportation allowance prescribed  
3 in subsection (3) of this section shall be payable as follows:

4           (a) To the parent, custodial parent, or guardian  
5 providing transportation for students from other families, one  
6 hundred percent of the amount prescribed in subsection (3) of  
7 this section for the transportation of students of such parent's,  
8 custodial parent's, or guardian's own family and an additional  
9 five percent for students of each other family not to exceed a  
10 maximum of one hundred twenty-five percent of the amount determined  
11 pursuant to subsection (3) of this section; and

12           (b) To the parent, custodial parent, or guardian not  
13 providing transportation for students of other families, two  
14 hundred eighty-five percent of the mileage rate provided in section  
15 81-1176 multiplied by each mile actually and necessarily traveled,  
16 on each day of attendance, from the residence of the student to  
17 the pick-up point at which students transfer to the vehicle of a  
18 parent, custodial parent, or guardian described in subdivision (a)  
19 of this subsection.

20           (5) When a student who qualifies under the mileage  
21 requirements of subsection (1) of this section lives more  
22 than three miles from the location where the student must be  
23 picked up and dropped off in order to access school-provided  
24 free transportation, as measured by the shortest route  
25 that must actually and necessarily be traveled by motor

1 vehicle between his or her residence and such location, such  
2 school-provided transportation shall be deemed partially provided  
3 free transportation. School districts partially providing free  
4 transportation shall pay an allowance to the student's parent or  
5 guardian equal to two hundred eighty-five percent of the mileage  
6 rate provided in section 81-1176 multiplied by each mile actually  
7 and necessarily traveled, on each day of attendance, beyond which  
8 the one-way distance from the residence of the student to the  
9 location where the student must be picked up and dropped off  
10 exceeds three miles.

11           ~~(5)~~ (6) The board may authorize school-provided  
12 transportation to any student who does not qualify under the  
13 mileage requirements of subsection (1) of this section and may  
14 charge a fee to the parent or guardian of the student for such  
15 service. An affiliated high school district may provide free  
16 transportation or pay the allowance described in this section for  
17 high school students residing in an affiliated Class I district. No  
18 transportation payments shall be made to a family for mileage not  
19 actually traveled by such family. The number of days the student  
20 has attended school shall be reported monthly by the teacher to the  
21 board of such public school district.

22           ~~(6)~~ (7) No more than one allowance shall be made to a  
23 family irrespective of the number of students in a family being  
24 transported to school. If a family resides in a Class I district  
25 which is part of a Class VI district and has students enrolled in

1 any of the grades offered by the Class I district and in any of  
2 the non-high-school grades offered by the Class VI district, such  
3 family shall receive not more than one allowance for the distance  
4 actually traveled when both districts are on the same direct travel  
5 route with one district being located a greater distance from the  
6 residence than the other. In such cases, the travel allowance shall  
7 be prorated among the school districts involved.

8 ~~(7)~~ (8) No student shall be exempt from school attendance  
9 on account of distance from the public schoolhouse.

10 Sec. 26. Section 79-1003, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 79-1003 For purposes of the Tax Equity and Educational  
13 Opportunities Support Act:

14 (1) Adjusted general fund operating expenditures means  
15 (a) for school fiscal years before school fiscal year 2007-08,  
16 general fund operating expenditures as calculated pursuant to  
17 subdivision (21) of this section minus the transportation allowance  
18 and minus the special receipts allowance, (b) for school fiscal  
19 year 2007-08, general fund operating expenditures as calculated  
20 pursuant to subdivision (21) of this section minus the sum of  
21 the transportation, special receipts, and distance education  
22 and telecommunications allowances, (c) for school fiscal year  
23 2008-09, the difference of the product of the general fund  
24 operating expenditures as calculated pursuant to subdivision (21)  
25 of this section multiplied by the cost growth factor calculated

1 pursuant to section 79-1007.10 minus the transportation allowance,  
2 special receipts allowance, poverty allowance, limited English  
3 proficiency allowance, distance education and telecommunications  
4 allowance, elementary site allowance, elementary class size  
5 allowance, summer school allowance, and focus school and program  
6 allowance, (d) for school fiscal years 2009-10 through 2012-13,  
7 the difference of the product of the general fund operating  
8 expenditures as calculated pursuant to subdivision (21) of this  
9 section multiplied by the cost growth factor calculated pursuant  
10 to section 79-1007.10 minus the transportation allowance, special  
11 receipts allowance, poverty allowance, limited English proficiency  
12 allowance, distance education and telecommunications allowance,  
13 elementary site allowance, elementary class size allowance, summer  
14 school allowance, instructional time allowance, and focus school  
15 and program allowance, and (e) for school fiscal year 2013-14  
16 and each school fiscal year thereafter, the difference of the  
17 product of the general fund operating expenditures as calculated  
18 pursuant to subdivision (21) of this section multiplied by the  
19 cost growth factor calculated pursuant to section 79-1007.10  
20 minus the transportation allowance, special receipts allowance,  
21 poverty allowance, limited English proficiency allowance, distance  
22 education and telecommunications allowance, elementary site  
23 allowance, summer school allowance, instructional time allowance,  
24 and focus school and program allowance;

25 (2) Adjusted valuation means the assessed valuation of

1 taxable property of each local system in the state, adjusted  
2 pursuant to the adjustment factors described in section 79-1016.  
3 Adjusted valuation means the adjusted valuation for the property  
4 tax year ending during the school fiscal year immediately preceding  
5 the school fiscal year in which the aid based upon that value is  
6 to be paid. For purposes of determining the local effort rate yield  
7 pursuant to section 79-1015.01, adjusted valuation does not include  
8 the value of any property which a court, by a final judgment from  
9 which no appeal is taken, has declared to be nontaxable or exempt  
10 from taxation;

11 (3) Allocated income tax funds means the amount of  
12 assistance paid to a local system pursuant to section 79-1005.01 or  
13 79-1005.02 as adjusted by the minimum levy adjustment pursuant to  
14 section 79-1008.02;

15 (4) Average daily attendance of a student who resides on  
16 Indian land means average daily attendance of a student who resides  
17 on Indian land from the most recent data available on November 1  
18 preceding the school fiscal year in which aid is to be paid;

19 (5) Average daily membership means the average daily  
20 membership for grades kindergarten through twelve attributable to  
21 the local system, as provided in each district's annual statistical  
22 summary, and includes the proportionate share of students enrolled  
23 in a public school instructional program on less than a full-time  
24 basis;

25 (6) Base fiscal year means the first school fiscal year

1 following the school fiscal year in which the reorganization or  
2 unification occurred;

3 (7) Board means the school board of each school district;

4 (8) Categorical funds means funds limited to a specific  
5 purpose by federal or state law, including, but not limited to,  
6 Title I funds, Title VI funds, federal vocational education funds,  
7 federal school lunch funds, Indian education funds, Head Start  
8 funds, and funds from the Education Innovation Fund;

9 (9) Consolidate means to voluntarily reduce the number of  
10 school districts providing education to a grade group and does not  
11 include dissolution pursuant to section 79-498;

12 (10) Department means the State Department of Education;

13 (11) District means any Class I, II, III, IV, V, or VI  
14 school district;

15 (12) Ensuing school fiscal year means the school fiscal  
16 year following the current school fiscal year;

17 (13) Equalization aid means the amount of assistance  
18 calculated to be paid to a local system pursuant to sections  
19 79-1007.11 to 79-1007.23, 79-1008.01 to 79-1022, and 79-1022.02;

20 (14) Fall membership means the total membership in  
21 kindergarten through grade twelve attributable to the local system  
22 as reported on the fall school district membership reports for each  
23 district pursuant to section 79-528;

24 (15) Fiscal year means the state fiscal year which is the  
25 period from July 1 to the following June 30;

1           (16) Formula students means:

2           (a) For school fiscal years prior to school fiscal year  
3 2008-09, (i) for state aid certified pursuant to section 79-1022,  
4 the sum of fall membership from the school fiscal year immediately  
5 preceding the school fiscal year in which the aid is to be paid,  
6 multiplied by the average ratio of average daily membership to fall  
7 membership for the second school fiscal year immediately preceding  
8 the school fiscal year in which aid is to be paid and the prior  
9 two school fiscal years, plus qualified early childhood education  
10 fall membership plus tuitioned students from the school fiscal year  
11 immediately preceding the school fiscal year in which the aid is  
12 to be paid and (ii) for final calculation of state aid pursuant to  
13 section 79-1065, the sum of average daily membership plus qualified  
14 early childhood education average daily membership plus tuitioned  
15 students from the school fiscal year immediately preceding the  
16 school fiscal year in which the aid was paid; and

17           (b) For school fiscal year 2008-09 and each school fiscal  
18 year thereafter, (i) for state aid certified pursuant to section  
19 79-1022, the sum of the product of fall membership from the school  
20 fiscal year immediately preceding the school fiscal year in which  
21 the aid is to be paid multiplied by the average ratio of average  
22 daily membership to fall membership for the second school fiscal  
23 year immediately preceding the school fiscal year in which the aid  
24 is to be paid and the prior two school fiscal years plus sixty  
25 percent of the qualified early childhood education fall membership

1 plus tuitioned students from the school fiscal year immediately  
2 preceding the school fiscal year in which aid is to be paid minus  
3 the product of the number of students enrolled in kindergarten that  
4 is not full-day kindergarten from the fall membership multiplied by  
5 0.5 and (ii) for final calculation of state aid pursuant to section  
6 79-1065, the sum of average daily membership plus sixty percent of  
7 the qualified early childhood education average daily membership  
8 plus tuitioned students minus the product of the number of students  
9 enrolled in kindergarten that is not full-day kindergarten from the  
10 average daily membership multiplied by 0.5 from the school fiscal  
11 year immediately preceding the school fiscal year in which aid was  
12 paid;

13 (17) Free lunch and free milk student means a student  
14 who qualified for free lunches or free milk from the most recent  
15 data available on November 1 of the school fiscal year immediately  
16 preceding the school fiscal year in which aid is to be paid;

17 (18) Full-day kindergarten means kindergarten offered by  
18 a district for at least one thousand thirty-two instructional  
19 hours;

20 (19) General fund budget of expenditures means the total  
21 budget of disbursements and transfers for general fund purposes as  
22 certified in the budget statement adopted pursuant to the Nebraska  
23 Budget Act, except that for purposes of the limitation imposed in  
24 section 79-1023 and the calculation pursuant to subdivision (2) of  
25 section 79-1027.01, the general fund budget of expenditures does

1 not include any special grant funds, exclusive of local matching  
2 funds, received by a district;

3 (20) General fund expenditures means all expenditures  
4 from the general fund;

5 (21) General fund operating expenditures means:

6 (a) For state aid calculated for school fiscal years  
7 prior to school fiscal year 2008-09, the total general fund  
8 expenditures minus categorical funds, tuition paid, transportation  
9 fees paid to other districts, adult education, summer school,  
10 community services, redemption of the principal portion of general  
11 fund debt service, retirement incentive plans, staff development  
12 assistance, and transfers from other funds into the general fund  
13 for the second school fiscal year immediately preceding the school  
14 fiscal year in which aid is to be paid as reported on the annual  
15 financial report prior to December 1 of the school fiscal year  
16 immediately preceding the school fiscal year in which aid is to be  
17 paid;

18 (b) For state aid calculated for school fiscal year  
19 2008-09, as reported for the second school fiscal year immediately  
20 preceding the school fiscal year in which aid is to be paid  
21 on the annual financial report submitted prior to December  
22 1 of the school fiscal year immediately preceding the school  
23 fiscal year in which aid is to be paid, the total general  
24 fund expenditures minus (i) the amount of all receipts to  
25 the general fund, to the extent that such receipts are not

1 included in local system formula resources, from early childhood  
2 education tuition, summer school tuition, educational entities as  
3 defined in section 79-1201.01 for providing distance education  
4 courses through the Educational Service Unit Coordinating Council  
5 to such educational entities, private foundations, individuals,  
6 associations, charitable organizations, the textbook loan program  
7 authorized by section 79-734, and federal impact aid, (ii)  
8 the amount of expenditures for categorical funds, tuition paid,  
9 transportation fees paid to other districts, adult education,  
10 community services, redemption of the principal portion of general  
11 fund debt service, retirement incentive plans authorized by section  
12 79-855, and staff development assistance authorized by section  
13 79-856, and (iii) the amount of any transfers from the general fund  
14 to any bond fund and transfers from other funds into the general  
15 fund;

16 (c) For state aid calculated for school fiscal year  
17 2009-10, as reported on the annual financial report for the second  
18 school fiscal year immediately preceding the school fiscal year in  
19 which aid is to be paid, ~~on the annual financial report submitted~~  
20 ~~prior to December 1 of the school fiscal year immediately preceding~~  
21 ~~the school fiscal year in which aid is to be paid,~~ the total  
22 general fund expenditures minus (i) the amount of all receipts  
23 to the general fund, to the extent that such receipts are not  
24 included in local system formula resources, from early childhood  
25 education tuition, summer school tuition, educational entities as

1 defined in section 79-1201.01 for providing distance education  
2 courses through the Educational Service Unit Coordinating Council  
3 to such educational entities, private foundations, individuals,  
4 associations, charitable organizations, the textbook loan program  
5 authorized by section 79-734, and federal impact aid, (ii)  
6 the amount of expenditures for categorical funds, tuition paid,  
7 transportation fees paid to other districts, adult education,  
8 community services, redemption of the principal portion of general  
9 fund debt service, retirement incentive plans authorized by section  
10 79-855, and staff development assistance authorized by section  
11 79-856, (iii) the amount of any transfers from the general fund to  
12 any bond fund and transfers from other funds into the general fund,  
13 and (iv) any legal expenses in excess of fifteen-hundredths of one  
14 percent of the formula need for the school fiscal year in which the  
15 expenses occurred; and

16 (d) For state aid calculated for school fiscal year  
17 2010-11 and each school fiscal year thereafter, as reported on  
18 the annual financial report for the second school fiscal year  
19 immediately preceding the school fiscal year in which aid is  
20 to be paid, ~~on the annual financial report submitted prior to~~  
21 ~~December 1 of the school fiscal year immediately preceding the~~  
22 ~~school fiscal year in which aid is to be paid,~~ the total  
23 general fund expenditures minus (i) the amount of all receipts  
24 to the general fund, to the extent that such receipts are not  
25 included in local system formula resources, from early childhood

1 education tuition, summer school tuition, educational entities as  
2 defined in section 79-1201.01 for providing distance education  
3 courses through the Educational Service Unit Coordinating Council  
4 to such educational entities, private foundations, individuals,  
5 associations, charitable organizations, the textbook loan program  
6 authorized by section 79-734, federal impact aid, and levy  
7 override elections pursuant to section 77-3444, (ii) the amount  
8 of expenditures for categorical funds, tuition paid, transportation  
9 fees paid to other districts, adult education, community services,  
10 redemption of the principal portion of general fund debt service,  
11 retirement incentive plans authorized by section 79-855, and staff  
12 development assistance authorized by section 79-856, (iii) the  
13 amount of any transfers from the general fund to any bond fund  
14 and transfers from other funds into the general fund, and (iv) any  
15 legal expenses in excess of fifteen-hundredths of one percent of  
16 the formula need for the school fiscal year in which the expenses  
17 occurred.

18           For purposes of this subdivision (21) of this section,  
19 receipts from levy override elections shall equal ninety-nine  
20 percent of the difference of the total general fund levy minus  
21 a levy of one dollar and five cents per one hundred dollars of  
22 taxable valuation multiplied by the assessed valuation for school  
23 districts that have voted pursuant to section 77-3444 to override  
24 the maximum levy provided pursuant to section 77-3442;

25           (22) High school district means a school district

1 providing instruction in at least grades nine through twelve;

2 (23) Income tax liability means the amount of the  
3 reported income tax liability for resident individuals pursuant  
4 to the Nebraska Revenue Act of 1967 less all nonrefundable credits  
5 earned and refunds made;

6 (24) Income tax receipts means the amount of income tax  
7 collected pursuant to the Nebraska Revenue Act of 1967 less all  
8 nonrefundable credits earned and refunds made;

9 (25) Limited English proficiency students means (a) for  
10 school fiscal years prior to school fiscal year 2009-10, the number  
11 of students with limited English proficiency in a district from  
12 the most recent data available on November 1 of the school fiscal  
13 year preceding the school fiscal year in which aid is to be paid  
14 and (b) for school fiscal year 2009-10 and each school fiscal year  
15 thereafter, the number of students with limited English proficiency  
16 in a district from the most recent data available on November 1 of  
17 the school fiscal year preceding the school fiscal year in which  
18 aid is to be paid plus the difference of such students with limited  
19 English proficiency minus the average number of limited English  
20 proficiency students for such district, prior to such addition,  
21 for the three immediately preceding school fiscal years if such  
22 difference is greater than zero;

23 (26) Local system means a learning community, a unified  
24 system, a Class VI district and the associated Class I districts,  
25 or a Class II, III, IV, or V district and any affiliated Class

1 I districts or portions of Class I districts. The membership,  
2 expenditures, and resources of Class I districts that are  
3 affiliated with multiple high school districts will be attributed  
4 to local systems based on the percent of the Class I valuation that  
5 is affiliated with each high school district;

6 (27) Low-income child means (a) for school fiscal years  
7 prior to 2008-09, a child under nineteen years of age living in  
8 a household having an annual adjusted gross income of fifteen  
9 thousand dollars or less for the second calendar year preceding  
10 the beginning of the school fiscal year for which aid is being  
11 calculated and (b) for school fiscal year 2008-09 and each school  
12 fiscal year thereafter, a child under nineteen years of age living  
13 in a household having an annual adjusted gross income for the  
14 second calendar year preceding the beginning of the school fiscal  
15 year for which aid is being calculated equal to or less than the  
16 maximum household income that would allow a student from a family  
17 of four people to be a free lunch and free milk student during the  
18 school fiscal year immediately preceding the school fiscal year for  
19 which aid is being calculated;

20 (28) Low-income students means the number of low-income  
21 children within the district multiplied by the ratio of the formula  
22 students in the district divided by the total children under  
23 nineteen years of age residing in the district as derived from  
24 income tax information;

25 (29) Most recently available complete data year means

1 the most recent single school fiscal year for which the annual  
2 financial report, fall school district membership report, annual  
3 statistical summary, Nebraska income tax liability by school  
4 district for the calendar year in which the majority of the school  
5 fiscal year falls, and adjusted valuation data are available;

6 (30) Poverty students means (a) for school fiscal years  
7 prior to school fiscal year 2009-10, the number of low-income  
8 students or the number of students who are free lunch and free milk  
9 students in a district, whichever is greater, and (b) for school  
10 fiscal year 2009-10 and each school fiscal year thereafter, the  
11 number of low-income students or the number of students who are  
12 free lunch and free milk students in a district plus the difference  
13 of the number of low-income students or the number of students  
14 who are free lunch and free milk students in a district, whichever  
15 is greater, minus the average number of poverty students for  
16 such district, prior to such addition, for the three immediately  
17 preceding school fiscal years if such difference is greater than  
18 zero;

19 (31) Qualified early childhood education average daily  
20 membership means the product of the average daily membership for  
21 school fiscal year 2006-07 and each school fiscal year thereafter  
22 of students who will be eligible to attend kindergarten the  
23 following school year and are enrolled in an early childhood  
24 education program approved by the department pursuant to section  
25 79-1103 for such school district for such school year multiplied by

1 the ratio of the actual instructional hours of the program divided  
2 by one thousand thirty-two if: (a) The program is receiving a grant  
3 pursuant to such section for the third year; (b) the program has  
4 already received grants pursuant to such section for three years;  
5 or (c) the program has been approved pursuant to subsection (5) of  
6 section 79-1103 for such school year and the two preceding school  
7 years, including any such students in portions of any of such  
8 programs receiving an expansion grant;

9 (32) Qualified early childhood education fall membership  
10 means the product of membership on the last Friday in September  
11 2006 and each year thereafter of students who will be eligible  
12 to attend kindergarten the following school year and are enrolled  
13 in an early childhood education program approved by the department  
14 pursuant to section 79-1103 for such school district for such  
15 school year multiplied by the ratio of the planned instructional  
16 hours of the program divided by one thousand thirty-two if: (a)  
17 The program is receiving a grant pursuant to such section for the  
18 third year; (b) the program has already received grants pursuant to  
19 such section for three years; or (c) the program has been approved  
20 pursuant to subsection (5) of section 79-1103 for such school year  
21 and the two preceding school years, including any such students in  
22 portions of any of such programs receiving an expansion grant;

23 (33) Regular route transportation means the  
24 transportation of students on regularly scheduled daily routes to  
25 and from the attendance center;

1           (34) Reorganized district means any district involved  
2 in a consolidation and currently educating students following  
3 consolidation;

4           (35) School year or school fiscal year means the fiscal  
5 year of a school district as defined in section 79-1091;

6           (36) Sparse local system means a local system that is not  
7 a very sparse local system but which meets the following criteria:

8           (a) (i) Less than two students per square mile in the  
9 county in which each high school is located, based on the school  
10 district census, (ii) less than one formula student per square  
11 mile in the local system, and (iii) more than ten miles between  
12 each high school attendance center and the next closest high school  
13 attendance center on paved roads;

14           (b) (i) Less than one and one-half formula students per  
15 square mile in the local system and (ii) more than fifteen miles  
16 between each high school attendance center and the next closest  
17 high school attendance center on paved roads;

18           (c) (i) Less than one and one-half formula students per  
19 square mile in the local system and (ii) more than two hundred  
20 seventy-five square miles in the local system; or

21           (d) (i) Less than two formula students per square mile in  
22 the local system and (ii) the local system includes an area equal  
23 to ninety-five percent or more of the square miles in the largest  
24 county in which a high school attendance center is located in the  
25 local system;

1           (37) Special education means specially designed  
2 kindergarten through grade twelve instruction pursuant to section  
3 79-1125, and includes special education transportation;

4           (38) Special grant funds means the budgeted receipts for  
5 grants, including, but not limited to, Title I funds, Title VI  
6 funds, funds from the Education Innovation Fund, reimbursements  
7 for wards of the court, short-term borrowings including, but  
8 not limited to, registered warrants and tax anticipation notes,  
9 interfund loans, insurance settlements, and reimbursements to  
10 county government for previous overpayment. The state board shall  
11 approve a listing of grants that qualify as special grant funds;

12           (39) State aid means the amount of assistance paid to a  
13 district pursuant to the Tax Equity and Educational Opportunities  
14 Support Act;

15           (40) State board means the State Board of Education;

16           (41) State support means all funds provided to districts  
17 by the State of Nebraska for the general fund support of elementary  
18 and secondary education;

19           (42) Statewide average basic funding per formula student  
20 means the statewide total basic funding for all districts divided  
21 by the statewide total formula students for all districts;

22           (43) Statewide average general fund operating  
23 expenditures per formula student means the statewide total  
24 general fund operating expenditures for all districts divided by  
25 the statewide total formula students for all districts;

1 (44) Teacher has the definition found in section 79-101;

2 (45) Temporary aid adjustment factor means (a) for school  
3 fiscal years before school fiscal year 2007-08, one and one-fourth  
4 percent of the sum of the local system's transportation allowance,  
5 the local system's special receipts allowance, and the product  
6 of the local system's adjusted formula students multiplied by  
7 the average formula cost per student in the local system's  
8 cost grouping and (b) for school fiscal year 2007-08, one and  
9 one-fourth percent of the sum of the local system's transportation  
10 allowance, special receipts allowance, and distance education and  
11 telecommunications allowance and the product of the local system's  
12 adjusted formula students multiplied by the average formula cost  
13 per student in the local system's cost grouping;

14 (46) Tuitioned students means students in kindergarten  
15 through grade twelve of the district whose tuition is paid by the  
16 district to some other district or education agency; and

17 (47) Very sparse local system means a local system that  
18 has:

19 (a)(i) Less than one-half student per square mile in  
20 each county in which each high school attendance center is located  
21 based on the school district census, (ii) less than one formula  
22 student per square mile in the local system, and (iii) more than  
23 fifteen miles between the high school attendance center and the  
24 next closest high school attendance center on paved roads; or

25 (b)(i) More than four hundred fifty square miles in the

1 local system, (ii) less than one-half student per square mile in  
2 the local system, and (iii) more than fifteen miles between each  
3 high school attendance center and the next closest high school  
4 attendance center on paved roads.

5           Sec. 27. Section 79-1007.06, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7           79-1007.06 (1) For school fiscal year 2008-09 and each  
8 school fiscal year thereafter, the department shall determine  
9 the poverty allowance for each school district that meets the  
10 requirements of this section and has not been disqualified pursuant  
11 to section 79-1007.07. Each school district shall designate a  
12 maximum poverty allowance on a form prescribed by the department  
13 on or before October ~~10~~ 15 of the school fiscal year immediately  
14 preceding the school fiscal year for which aid is being calculated.  
15 The school district may decline to participate in the poverty  
16 allowance by providing the department with a maximum poverty  
17 allowance of zero dollars on such form on or before October ~~10~~  
18 15 of the school fiscal year immediately preceding the school  
19 fiscal year for which aid is being calculated. Each school district  
20 designating a maximum poverty allowance greater than zero dollars  
21 shall submit a poverty plan pursuant to section 79-1013.

22           (2) The poverty allowance for each school district that  
23 has not been disqualified pursuant to section 79-1007.07 shall  
24 equal the lesser of:

25           (a) The maximum amount designated pursuant to subsection

1 (1) of this section by the school district in the local system, if  
2 such school district designated a maximum amount, for the school  
3 fiscal year for which aid is being calculated; or

4 (b) The sum of:

5 (i) The statewide average general fund operating  
6 expenditures per formula student multiplied by 0.0375 then  
7 multiplied by the poverty students comprising more than five  
8 percent and not more than ten percent of the formula students in  
9 the school district; plus

10 (ii) The statewide average general fund operating  
11 expenditures per formula student multiplied by 0.0750 then  
12 multiplied by the poverty students comprising more than ten percent  
13 and not more than fifteen percent of the formula students in the  
14 school district; plus

15 (iii) The statewide average general fund operating  
16 expenditures per formula student multiplied by 0.1125 then  
17 multiplied by the poverty students comprising more than fifteen  
18 percent and not more than twenty percent of the formula students in  
19 the school district; plus

20 (iv) The statewide average general fund operating  
21 expenditures per formula student multiplied by 0.1500 then  
22 multiplied by the poverty students comprising more than twenty  
23 percent and not more than twenty-five percent of the formula  
24 students in the school district; plus

25 (v) The statewide average general fund operating

1 expenditures per formula student multiplied by 0.1875 then  
2 multiplied by the poverty students comprising more than twenty-five  
3 percent and not more than thirty percent of the formula students in  
4 the school district; plus

5 (vi) The statewide average general fund operating  
6 expenditures per formula student multiplied by 0.2250 then  
7 multiplied by the poverty students comprising more than thirty  
8 percent of the formula students in the school district.

9 Sec. 28. Section 79-1007.08, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11 79-1007.08 (1) For school fiscal year 2008-09 and each  
12 school fiscal year thereafter, the department shall determine the  
13 limited English proficiency allowance for each school district  
14 that meets the requirements of this section and has not been  
15 disqualified pursuant to section 79-1007.09. Each school district  
16 shall designate a maximum limited English proficiency allowance  
17 on or before October ~~10~~ 15 of the school fiscal year immediately  
18 preceding the school fiscal year for which aid is being calculated.  
19 The school district may decline to participate in the limited  
20 English proficiency allowance by providing the department with  
21 a maximum limited English proficiency allowance of zero dollars  
22 on such form on or before October ~~10~~ 15 of the school fiscal  
23 year immediately preceding the school fiscal year for which aid  
24 is being calculated. Each school district designating a maximum  
25 limited English proficiency allowance greater than zero dollars

1 shall submit a limited English proficiency plan pursuant to section  
2 79-1014.

3 (2) The limited English proficiency allowance for each  
4 school district that has not been disqualified pursuant to section  
5 79-1007.09 shall equal the lesser of:

6 (a) The amount designated pursuant to subsection (1)  
7 of this section by the school district, if such school district  
8 designated a maximum amount, for the school fiscal year for which  
9 aid is being calculated; or

10 (b) The statewide average general fund operating  
11 expenditures per formula student multiplied by 0.25 then multiplied  
12 by:

13 (i) The number of students in the school district who are  
14 limited English proficient as defined under 20 U.S.C. 7801, as such  
15 section existed on January 1, 2006, if such number is greater than  
16 or equal to twelve;

17 (ii) Twelve, if the number of students in the school  
18 district who are limited English proficient as defined under 20  
19 U.S.C. 7801, as such section existed on January 1, 2006, is greater  
20 than or equal to one and less than twelve; or

21 (iii) Zero, if the number of students in the school  
22 district who are limited English proficient as defined under 20  
23 U.S.C. 7801, as such section existed on January 1, 2006, is less  
24 than one.

25 Sec. 29. Section 79-1007.16, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-1007.16 For school fiscal year 2008-09 and each  
3 school fiscal year thereafter, the department shall calculate  
4 basic funding for each district as follows:

5           (1) A comparison group shall be established for each  
6 district consisting of the districts for which basic funding is  
7 being calculated, the five larger districts that are closest in  
8 size to the district for which basic funding is being calculated as  
9 measured by formula students, and the five smaller districts that  
10 are closest in size to the district for which basic funding is  
11 being calculated as measured by formula students. If there are not  
12 five districts that are larger than the district for which basic  
13 funding is being calculated or if there are not five districts  
14 that are smaller than the district for which basic funding is  
15 being calculated, the comparison group shall consist of only as  
16 many districts as fit the criteria. If more than one district  
17 has exactly the same number of formula students as the largest or  
18 smallest district in the comparison group, all of the districts  
19 with exactly the same number of formula students as the largest or  
20 smallest districts in the comparison group shall be included in the  
21 comparison group. If one or more districts have exactly the same  
22 number of formula students as the district for which basic funding  
23 is being calculated, all such districts shall be included in the  
24 comparison group in addition to the five larger districts and the  
25 five smaller districts. The comparison group shall remain the same

1 for the final calculation of aid pursuant to section 79-1065;

2 (2) For districts with nine hundred or more formula  
3 students, basic funding shall equal the ~~adjusted~~ formula students  
4 multiplied by the average of the adjusted general fund operating  
5 expenditures per formula student for each district in the  
6 comparison group, excluding both the district with the highest  
7 adjusted general fund operating expenditures per ~~adjusted~~ formula  
8 student and the district with the lowest adjusted general fund  
9 operating expenditures per formula student of the districts in the  
10 comparison group; and

11 (3) For districts with fewer than nine hundred formula  
12 students, basic funding shall equal the product of the average  
13 of the adjusted general fund operating expenditures for each  
14 district in the comparison group, excluding both the district  
15 with the highest adjusted general fund operating expenditures  
16 and the district with the lowest adjusted general fund operating  
17 expenditures of the districts in the comparison group.

18 Sec. 30. Section 79-1007.20, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 79-1007.20 (1) For school fiscal year 2009-10 and each  
21 school fiscal year thereafter, school districts may apply to the  
22 department for a student growth adjustment, on a form prescribed  
23 by the department, on or before October ~~10~~ 15 of the school fiscal  
24 year immediately preceding the school fiscal year for which aid  
25 is being calculated. Such form shall require an estimate of the

1 average daily membership for the school fiscal year for which aid  
2 is being calculated, the estimated student growth calculated by  
3 subtracting the fall membership of the current school fiscal year  
4 from the estimated average daily membership for the school fiscal  
5 year for which aid is being calculated, and evidence supporting  
6 the estimates. On or before the immediately following December  
7 1, the department shall approve the estimated student growth,  
8 approve a modified student growth, or deny the application based  
9 on the requirements of this section, the evidence submitted on the  
10 application, and any other information provided by the department.  
11 The state board shall establish procedures for appeal of decisions  
12 of the department to the state board for final determination.

13 (2) The student growth adjustment for each approved  
14 district shall equal the sum of the product of the school  
15 district's basic funding per formula student multiplied by the  
16 difference of the approved student growth minus the greater of  
17 twenty-five students or one percent of the fall membership for the  
18 school fiscal year immediately preceding the school fiscal year for  
19 which aid is being calculated plus the product of fifty percent of  
20 the school district's basic funding per formula student multiplied  
21 by the greater of twenty-five students or one percent of the fall  
22 membership for the school fiscal year immediately preceding the  
23 school fiscal year for which aid is being calculated.

24 (3) For school fiscal year 2011-12 and each school  
25 fiscal year thereafter, the department shall calculate a student

1 growth adjustment correction for each district that received a  
2 student growth adjustment for aid distributed in the most recently  
3 available complete data year. Such student growth correction shall  
4 equal the product of the difference of the average daily membership  
5 for such school fiscal year minus the sum of the formula students  
6 and the approved student growth used to calculate the student  
7 growth adjustment for such school fiscal year multiplied by the  
8 school district's basic funding per formula student used in the  
9 final calculation of aid pursuant to section 79-1065 for such  
10 school fiscal year, except that the absolute value of a negative  
11 correction shall not exceed the original adjustment.

12           Sec. 31. Section 79-1007.21, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           79-1007.21 (1) For school fiscal year 2009-10 and each  
15 school fiscal year thereafter, school districts may apply to  
16 the department for a two-year new school adjustment, on a form  
17 prescribed by the department, on or before October ~~10~~ 15 of  
18 the school fiscal year immediately preceding the school fiscal  
19 year for which the first-year new school adjustment would be  
20 included in the calculation of state aid. Such form shall require  
21 evidence of recent and expected student growth, evidence that  
22 a new building or the expansion or remodeling of an existing  
23 building is being completed to provide additional student capacity  
24 to accommodate such growth and not to replace an existing building,  
25 evidence that the school fiscal year for which the district

1 would receive the first-year adjustment will be the first full  
2 school fiscal year for which students will utilize such additional  
3 capacity, and evidence of the estimated additional student capacity  
4 to be provided by the project. On or before the immediately  
5 following December 1, the department shall approve the estimated  
6 additional capacity for use in the adjustment, approve a modified  
7 estimated additional capacity for use in the adjustment, or deny  
8 the application based on the requirements of this section, the  
9 evidence submitted on the application, and any other information  
10 provided by the department. Each approval shall include an approved  
11 estimated additional student capacity for the new building. The  
12 state board shall establish procedures for appeal of decisions of  
13 the department to the state board for final determination.

14 (2) The first-year new school adjustment for each  
15 approved district shall equal the school district's basic funding  
16 per formula student multiplied by twenty percent of the approved  
17 estimated additional student capacity. The second-year new school  
18 adjustment for each approved district shall equal the school  
19 district's basic funding per formula student multiplied by ten  
20 percent of the approved estimated additional student capacity.

21 Sec. 32. Section 79-1007.22, Reissue Revised Statutes of  
22 Nebraska, as amended by section 4, Legislative Bill 62, One Hundred  
23 First Legislature, First Session, 2009, is amended to read:

24 79-1007.22 (1) For state aid calculated for each of  
25 the second and third full school fiscal years of a new learning

1 community, each member school district may apply to the department  
2 for a new learning community transportation adjustment, on a  
3 form prescribed by the department, on or before October ~~10~~  
4 15 of the school fiscal year immediately preceding the school  
5 fiscal year for which the new learning community transportation  
6 adjustment would be included in the calculation of state aid.  
7 Such form shall require evidence supporting estimates of increased  
8 transportation costs for the district due to the provisions of  
9 subsection (2) of section 79-611. On or before the immediately  
10 following December 1, the department shall approve the estimate of  
11 increased transportation costs for use in the adjustment, approve  
12 a modified estimate of increased transportation costs for use in  
13 the adjustment, or deny the application based on the requirements  
14 of this section, the evidence submitted on the application, and any  
15 other information provided by the department. The state board shall  
16 establish procedures for appeal of decisions of the department to  
17 the state board for final determination.

18 (2) The new learning community transportation adjustment  
19 shall equal the approved estimate of increased transportation  
20 costs due to the provisions of subsection (2) of section 79-611.  
21 School districts shall submit evidence of the actual increase in  
22 transportation costs due to the provisions of subsection (2) of  
23 section 79-611, and the department shall recalculate the adjustment  
24 using such actual costs pursuant to section 79-1065.

25 Sec. 33. Section 79-1014, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-1014 (1) On or before October 10 of each year, each  
3 school district designating a maximum limited English proficiency  
4 allowance greater than zero dollars shall submit a limited English  
5 proficiency plan for the next school fiscal year to the department  
6 and to the learning community coordinating council of any learning  
7 community of which the school district is a member. On or before  
8 the immediately following December 1, (a) the department shall  
9 approve or disapprove such plans for school districts that are not  
10 members of a learning community, based on the inclusion of the  
11 elements required pursuant to this section and (b) the learning  
12 community coordinating council, and, as to the applicable portions  
13 thereof, each achievement subcouncil, shall approve or disapprove  
14 such plan for school districts that are members of such learning  
15 community, based on the inclusion of such elements. On or before  
16 the immediately following December 5, each learning community  
17 coordinating council shall certify to the department the approval  
18 or disapproval of the limited English proficiency plan for each  
19 member school district.

20           (2) In order to be approved pursuant to this section,  
21 a limited English proficiency plan must include an explanation of  
22 how the school district will address the following issues for such  
23 school fiscal year:

24           (a) Identification of students with limited English  
25 proficiency;

- 1 (b) Instructional approaches;
- 2 (c) Assessment of such students' progress toward
- 3 mastering the English language; and
- 4 (d) An evaluation to determine the effectiveness of the
- 5 elements of the limited English proficiency plan.

6 (3) The state board shall establish a procedure for

7 appeal of decisions of the department and of learning community

8 coordinating councils to the state board for a final determination.

9 Sec. 34. Section 79-1065.01, Reissue Revised Statutes of

10 Nebraska, is amended to read:

11 79-1065.01 If the adjustment under section 79-1065

12 results in a school district being entitled to the payment of

13 additional funds, the district may apply to the State Department of

14 Education for a lump-sum payment for any amount up to one hundred

15 percent of the adjustment, except that when a school district is to

16 receive a lump-sum payment pursuant to section 79-1022, one hundred

17 percent of the adjustment shall be paid as one lump-sum payment on

18 the last business day of December during the ensuing school fiscal

19 year. The department shall notify the Director of Administrative

20 Services of the amount of funds to be paid in a lump sum and the

21 reduced amount of the monthly payments pursuant to section 79-1022.

22 The department shall make such payment in a lump sum not later

23 than the last business day of September of the year in which the

24 final determination under this section is made. ~~7 except that when~~

25 ~~a school district is to receive a monthly payment of less than one~~

1 ~~thousand dollars, such payment shall be one lump-sum payment on~~  
2 ~~the last business day of December during the ensuing school fiscal~~  
3 ~~year.~~

4           Sec. 35. Section 79-1084, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6           79-1084 The school board of a Class III school district  
7 shall annually, on or before September 20, report in writing to  
8 the county board and the learning community coordinating council if  
9 the school district is a member of a learning community the entire  
10 revenue raised by taxation and all other sources and received by  
11 the school board for the previous school fiscal year and a budget  
12 for the ensuing school fiscal year ~~in form of a resolution~~ broken  
13 down generally as follows: (1) The amount of funds required for the  
14 support of the schools during the ensuing school fiscal year; (2)  
15 the amount of funds required for the ~~purpose~~ purchase of school  
16 sites; (3) the amount of funds required for the erection of school  
17 buildings; (4) the amount of funds required for the payment of  
18 interest upon all bonds issued for school purposes; and (5) the  
19 amount of funds required for the creation of a sinking fund for the  
20 payment of such indebtedness. The secretary shall publish, within  
21 ten days after the filing of such budget, a copy of the fund  
22 summary pages of the budget one time at the legal rate prescribed  
23 for the publication of legal notices in a legal newspaper published  
24 in and of general circulation in such city or village or, if none  
25 is published in such city or village, in a legal newspaper of

1 general circulation in the city or village. The secretary of the  
2 school board failing or neglecting to comply with this section  
3 shall be deemed guilty of a Class V misdemeanor and, in the  
4 discretion of the court, the judgment of conviction may provide  
5 for the removal from office of such secretary for such failure  
6 or neglect. For Class III school districts that are not members  
7 of a learning community, the county board shall levy and collect  
8 such taxes as are necessary to provide the amount of revenue from  
9 property taxes as indicated by all the data contained in the budget  
10 and the certificate prescribed by this section, at the time and in  
11 the manner provided in section 77-1601.

12           Sec. 36. Section 79-1086, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           79-1086 (1) The board of education of a Class V school  
15 district that is not a member of a learning community shall  
16 annually during the month of July estimate the amount of resources  
17 likely to be received for school purposes, including the amounts  
18 available from fines, licenses, and other sources. Before the  
19 county board of equalization makes its levy each year, the board  
20 of education shall report to the county clerk the rate of tax  
21 deemed necessary to be levied upon the taxable value of all the  
22 taxable property of the district subject to taxation during the  
23 fiscal year next ensuing for (a) the support of the schools,  
24 (b) the purchase of school sites, (c) the erection, alteration,  
25 equipping, and furnishing of school buildings and additions to

1 school buildings, (d) the payment of interest upon all bonds issued  
2 for school purposes, and (e) the creation of a sinking fund for  
3 the payment of such indebtedness. The county board of equalization  
4 shall levy the rate of tax so reported and demanded by the board of  
5 education and collect the tax in the same manner as other taxes are  
6 levied and collected.

7 (2) The school board of a Class V school district that  
8 is a member of a learning community shall annually, on or before  
9 September 20, report in writing to the county board and the  
10 learning community coordinating council the entire revenue raised  
11 by taxation and all other sources and received by the school board  
12 for the previous school fiscal year and a budget for the ensuing  
13 school fiscal year ~~in form of a resolution~~ broken down generally  
14 as follows: (a) The amount of funds required for the support of  
15 the schools during the ensuing school fiscal year; (b) the amount  
16 of funds required for the ~~purpose~~ purchase of school sites; (c)  
17 the amount of funds required for the erection of school buildings;  
18 (d) the amount of funds required for the payment of interest upon  
19 all bonds issued for school purposes; and (e) the amount of funds  
20 required for the creation of a sinking fund for the payment of such  
21 indebtedness. The secretary shall publish, within ten days after  
22 the filing of such budget, a copy of the fund summary pages of the  
23 budget one time at the legal rate prescribed for the publication  
24 of legal notices in a legal newspaper published in and of general  
25 circulation in such city or village or, if none is published in

1 such city or village, in a legal newspaper of general circulation  
2 in the city or village. The secretary of the school board failing  
3 or neglecting to comply with this section shall be deemed guilty  
4 of a Class V misdemeanor and, in the discretion of the court, the  
5 judgment of conviction may provide for the removal from office of  
6 such secretary for such failure or neglect.

7           Sec. 37. Section 79-10,110, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           79-10,110 (1) After making a determination that an actual  
10 or potential environmental hazard or accessibility barrier exists,  
11 that a life safety code violation exists, or that expenditures  
12 are needed for indoor air quality or mold abatement and prevention  
13 within the school buildings or grounds under its control, a school  
14 board may make and deliver to the county clerk of such county  
15 in which any part of the school district is situated, not later  
16 than the date provided in section 13-508, an itemized estimate of  
17 the amounts necessary to be expended for the abatement of such  
18 environmental hazard, for accessibility barrier elimination, or for  
19 modifications for life safety code violations, indoor air quality,  
20 or mold abatement and prevention in such school buildings or  
21 grounds. ~~The board shall conduct a public hearing on the itemized~~  
22 ~~estimate prior to presenting such estimate to the county clerk.~~  
23 ~~Notice of the place and time of such hearing shall, at least five~~  
24 ~~days prior to the date set for hearing, be published in a newspaper~~  
25 ~~of general circulation within the school district.~~ The board shall

1 designate the particular environmental hazard abatement project,  
2 accessibility barrier elimination project, or modification for life  
3 safety code violations, indoor air quality, or mold abatement and  
4 prevention for which the tax levy provided for by this section will  
5 be expended, the period of years, which shall not exceed ten years,  
6 for which the tax will be levied for such project, and the amount  
7 of the levy for each year of the period.

8           (2) After a public hearing, a school board may undertake  
9 any qualified capital purpose in any qualified zone academy under  
10 its control and may levy a tax as provided in this section to  
11 repay a qualified zone academy bond issued for such undertaking.  
12 The board shall designate the particular qualified capital purpose  
13 for which the qualified zone academy bond was issued and for which  
14 the tax levy provided for by this section will be expended, the  
15 period of years, not exceeding fifteen, for which the tax will be  
16 levied for such qualified zone academy bond, and the amount of the  
17 levy for each year of the period. The hearing required by this  
18 subsection shall be held only after notice of such hearing has been  
19 published for three consecutive weeks prior to the hearing in a  
20 legal newspaper published or of general circulation in the school  
21 district.

22           (3) The board may designate more than one project under  
23 subsection (1) of this section or qualified capital purpose  
24 under subsection (2) of this section and levy a tax pursuant  
25 to this section for each such project or qualified capital

1 purpose, concurrently or consecutively, as the case may be, if  
2 the aggregate levy in each year and the duration of each such  
3 levy will not exceed the limitations specified in this section.  
4 Each levy for a project or qualified capital purpose which is  
5 authorized by this section may be imposed for such duration as  
6 the board specifies, notwithstanding the contemporaneous existence  
7 or subsequent imposition of any other levy for another project  
8 or qualified capital purpose imposed pursuant to this section and  
9 notwithstanding the subsequent issuance by the district of bonded  
10 indebtedness payable from its general fund levy.

11 (4) The county clerk shall levy such taxes, not to  
12 exceed five and one-fifth cents per one hundred dollars of  
13 taxable valuation for Class II, III, IV, V, and VI districts,  
14 and not to exceed the limits set for Class I districts in section  
15 79-10,124, on the taxable property of the district necessary to (a)  
16 cover the environmental hazard abatement or accessibility barrier  
17 elimination project costs or costs for modification for life  
18 safety code violations, indoor air quality, or mold abatement and  
19 prevention itemized by the board pursuant to subsection (1) of this  
20 section and (b) repay any qualified zone academy bonds pursuant to  
21 subsection (2) of this section. Such taxes shall be collected by  
22 the county treasurer at the same time and in the same manner as  
23 county taxes are collected and when collected shall be paid to the  
24 treasurer of the district and used to cover the project costs.

25 (5) If such board operates grades nine through twelve

1 as part of an affiliated school system, it shall designate the  
2 fraction of the project or undertaking to be conducted for the  
3 benefit of grades nine through twelve. Such fraction shall be  
4 raised by a levy placed upon all of the taxable value of all  
5 taxable property in the affiliated school system pursuant to  
6 subsection (2) of section 79-1075. The balance of the project or  
7 undertaking to be conducted for the benefit of grades kindergarten  
8 through eight shall be raised by a levy placed upon all of the  
9 taxable value of all taxable property in the district which is  
10 governed by such board. The combined rate for both levies in the  
11 high school district, to be determined by such board, shall not  
12 exceed five and one-fifth cents on each one hundred dollars of  
13 taxable value.

14 (6) Each board which submits an itemized estimate shall  
15 establish an environmental hazard abatement and accessibility  
16 barrier elimination project account, a life safety code  
17 modification project account, an indoor air quality project  
18 account, or a mold abatement and prevention project account, and  
19 each board which undertakes a qualified capital purpose shall  
20 establish a qualified capital purpose undertaking account, within  
21 the qualified capital purpose undertaking fund. Taxes collected  
22 pursuant to this section shall be credited to the appropriate  
23 account to cover the project or undertaking costs. Such estimates  
24 may be presented to the county clerk and taxes levied accordingly.

25 (7) For purposes of this section:

1           (a) Abatement includes, but is not limited to, any  
2 inspection and testing regarding environmental hazards, any  
3 maintenance to reduce, lessen, put an end to, diminish, moderate,  
4 decrease, control, dispose of, or eliminate environmental hazards,  
5 any removal or encapsulation of environmentally hazardous material  
6 or property, any restoration or replacement of material or  
7 property, any related architectural and engineering services, and  
8 any other action to reduce or eliminate environmental hazards in  
9 the school buildings or on the school grounds under the board's  
10 control, except that abatement does not include the encapsulation  
11 of any material containing more than one percent friable asbestos;

12           (b) Accessibility barrier means anything which impedes  
13 entry into, exit from, or use of any building or facility by all  
14 people;

15           (c) Accessibility barrier elimination includes, but is  
16 not limited to, inspection for and removal of accessibility  
17 barriers, maintenance to reduce, lessen, put an end to, diminish,  
18 control, dispose of, or eliminate accessibility barriers, related  
19 restoration or replacement of facilities or property, any related  
20 architectural and engineering services, and any other action to  
21 eliminate accessibility barriers in the school buildings or grounds  
22 under the board's control;

23           (d) Environmental hazard means any contamination of the  
24 air, water, or land surface or subsurface caused by any substance  
25 adversely affecting human health or safety if such substance has

1 been declared hazardous by a federal or state statute, rule, or  
2 regulation;

3 (e) Modification for indoor air quality includes, but  
4 is not limited to, any inspection and testing regarding indoor  
5 air quality, any maintenance to reduce, lessen, put an end to,  
6 diminish, moderate, decrease, control, dispose of, or eliminate  
7 indoor air quality problems, any restoration or replacement of  
8 material or related architectural and engineering services, and any  
9 other action to reduce or eliminate indoor air quality problems  
10 or to enhance air quality conditions in new or existing school  
11 buildings or on school grounds under the control of a school board;

12 (f) Modification for life safety code violation includes,  
13 but is not limited to, any inspection and testing regarding life  
14 safety codes, any maintenance to reduce, lessen, put an end to,  
15 diminish, moderate, decrease, control, dispose of, or eliminate  
16 life safety hazards, any restoration or replacement of material or  
17 property, any related architectural and engineering services, and  
18 any other action to reduce or eliminate life safety hazards in new  
19 or existing school buildings or on school grounds under the control  
20 of a school board;

21 (g) Modification for mold abatement and prevention  
22 includes, but is not limited to, any inspection and testing  
23 regarding mold abatement and prevention, any maintenance to  
24 reduce, lessen, put an end to, diminish, moderate, decrease,  
25 control, dispose of, or eliminate mold problems, any restoration or

1 replacement of material or related architectural and engineering  
2 services, and any other action to reduce or eliminate mold problems  
3 or to enhance air quality conditions in new or existing school  
4 buildings or on school grounds under the control of a school board;

5 (h) Qualified capital purpose means (i) rehabilitating or  
6 repairing the public school facility in which the qualified zone  
7 academy is established or (ii) providing equipment for use at such  
8 qualified zone academy;

9 (i) Qualified zone academy has the meaning found in 26  
10 U.S.C. 1397E(d)(4), as such section existed on April 6, 2001;

11 (j) Qualified zone academy allocation means the  
12 allocation of the qualified zone academy bond limitation by the  
13 State Department of Education to the qualified zone academies  
14 pursuant to 26 U.S.C. 1397E(e)(2), as such section existed on April  
15 6, 2001; and

16 (k) Qualified zone academy bond has the meaning found in  
17 26 U.S.C. 1397E(d)(1), as such section existed on May 8, 2001.

18 (8) Accessibility barrier elimination project costs  
19 includes, but is not limited to, inspection, maintenance,  
20 accounting, emergency services, consultation, or any other action  
21 to reduce or eliminate accessibility barriers.

22 (9) For the purpose of paying amounts necessary for  
23 the abatement of environmental hazards, accessibility barrier  
24 elimination, or modifications for life safety code violations,  
25 indoor air quality, or mold abatement and prevention, the board may

1 borrow money and issue bonds and other evidences of indebtedness  
2 of the district, which bonds and other evidences of indebtedness  
3 shall be secured by and payable from an irrevocable pledge by the  
4 district of amounts received in respect of the tax levy provided  
5 for by this section and any other funds of the district available  
6 therefor. Bonds and other evidences of indebtedness issued by a  
7 district pursuant to this subsection shall not constitute a general  
8 obligation of the district or be payable from any portion of its  
9 general fund levy.

10           (10) The total principal amount of bonds for  
11 modifications to correct life safety code violations, for indoor  
12 air quality problems, or for mold abatement and prevention which  
13 may be issued pursuant to this section shall not exceed the total  
14 amount specified in the itemized estimate described in subsection  
15 (1) of this section.

16           (11) The total principal amount of qualified zone academy  
17 bonds which may be issued pursuant to this section for qualified  
18 capital purposes with respect to a qualified zone academy shall  
19 not exceed the qualified zone academy allocation granted to the  
20 board by the department. The total amount that may be financed by  
21 qualified zone academy bonds pursuant to this section for qualified  
22 purposes with respect to a qualified zone academy shall not exceed  
23 seven and one-half million dollars statewide in a single year.  
24 In any year that the Nebraska qualified zone academy allocations  
25 exceed seven and one-half million dollars for qualified capital

1 purposes to be financed with qualified zone academy bonds issued  
2 pursuant to this section, (a) the department shall reduce such  
3 allocations proportionally such that the statewide total for such  
4 allocations equals seven and one-half million dollars and (b) the  
5 difference between the Nebraska allocation and seven and one-half  
6 million dollars shall be available to qualified zone academies for  
7 requests that will be financed with qualified zone academy bonds  
8 issued without the benefit of this section.

9           Nothing in this section directs the State Department of  
10 Education to give any preference to allocation requests that will  
11 be financed with qualified zone academy bonds issued pursuant to  
12 this section.

13           Sec. 38. Section 79-1102.01, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           79-1102.01 For school ~~year~~ years 2008-09 and 2009-10, any  
16 early childhood education program as defined in section 79-1101  
17 established by a school board or an educational service unit that  
18 is not receiving a grant pursuant to section 79-1103 or funding  
19 through the Tax Equity and Educational Opportunities Support Act  
20 may enroll children who meet the age requirements to be enrolled  
21 in kindergarten pursuant to section 79-214, but who are not then  
22 enrolled in kindergarten and who are not of mandatory attendance  
23 age pursuant to section 79-201.

24           Sec. 39. Section 79-1110, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           79-1110 Sections 79-1110 to ~~79-1178~~ 79-1167 shall be  
2 known and may be cited as the Special Education Act.

3           Sec. 40. Section 79-1127, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           79-1127 The board of education of every school district  
6 shall provide or contract for special education programs and  
7 transportation for all resident children with disabilities who  
8 would benefit from such programs in accordance with the Special  
9 Education Act and all applicable requirements of the federal  
10 Individuals with Disabilities Education Act, 20 U.S.C. 1401 et  
11 seq., as such sections existed on January 1, 2009, and the  
12 regulations adopted thereunder.

13           Sec. 41. Section 79-1148, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           79-1148 The State Department of Education is authorized  
16 to set up one or more statewide regional networks, approved  
17 schools, or centers for children with disabilities. ~~These schools~~  
18 ~~or centers shall~~ Any such regional network, school, or center  
19 may offer residential facilities or services for such children,  
20 ~~which facilities and such services~~ shall be under the control and  
21 supervision of the State Department of Education.

22           Sec. 42. Section 79-1149, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           79-1149 The admission to any regional network, school,  
25 or center, as provided by section 79-1148, shall be by rules and

1 regulations to be adopted, promulgated, and administered by the  
2 State Department of Education.

3 Sec. 43. Section 79-1150, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 79-1150 All money derived from any source other than  
6 General Fund appropriations by any ~~school~~ regional network, school,  
7 or center as provided by in sections 79-1148 and 79-1149 shall be  
8 remitted to the State Treasurer for credit to the State Department  
9 of Education Cash Fund, and such money shall be made available to  
10 any such ~~school~~ regional network, school, or center for purposes of  
11 education, training, or maintenance of students.

12 Sec. 44. Section 79-1161, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 79-1161 (1) A ~~surrogate parent~~ shall be appointed by  
15 a ~~school district~~ School districts shall establish and maintain  
16 procedures to protect the rights of a child with a disability ~~if~~  
17 ~~the district determines that~~ (a) the ~~whenever~~ (a) no parents of the  
18 child ~~cannot~~ can be identified, (b) ~~the parents~~ the school district  
19 cannot, after reasonable efforts, locate a parent of the child, ~~are~~  
20 ~~unknown or unavailable,~~ ~~or~~ (c) the child is a ward of the state,  
21 or (d) the child is an unaccompanied homeless youth as defined in  
22 the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11434a(6),  
23 as such section existed on January 1, 2009. Such procedures shall  
24 include the assignment of an individual to act as a surrogate for  
25 the parents. The school district shall make reasonable efforts to

1 ensure the assignment of a surrogate not more than thirty days  
2 after there is a determination by the district that the child  
3 needs a surrogate. In the case of a child who is a ward of the  
4 state, such surrogate may alternatively be appointed by the judge  
5 overseeing the child's care if the surrogate meets the requirements  
6 of subdivision (2)(c) of this section.

7           (2) The surrogate parent shall (a) have no interest which  
8 conflicts with the interest of the child, (b) have knowledge and  
9 skills that insure adequate representation, and (c) not be an  
10 employee of any agency involved in the care or education of the  
11 child. A person otherwise qualified to be a surrogate parent under  
12 this subsection is not an employee of the agency solely because  
13 he or she is paid by the agency to serve as a surrogate parent.

14 The surrogate parent appointed under this section may represent the  
15 child in all matters relating to the identification, evaluation,  
16 and educational placement of the child and the provision of a free  
17 appropriate public education to the child.

18           (3) The services of the surrogate parent shall be  
19 terminated when (a) the child is no longer eligible under  
20 subsection (1) of this section, (b) a conflict of interest develops  
21 between the interest of the child and the interest of the surrogate  
22 parent, or (c) the surrogate parent fails to fulfill his or her  
23 duties as a surrogate parent. Issues arising from the selection,  
24 appointment, or removal of a surrogate parent by a school district  
25 shall be resolved through hearings established under sections

1 79-1162 to 79-1167. The surrogate parent and the school district  
2 which appointed the surrogate parent shall not be liable in civil  
3 actions for damages for acts of the surrogate parent unless such  
4 acts constitute willful and wanton misconduct.

5 Sec. 45. Section 79-1204, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7 79-1204 (1) The role and mission of the educational  
8 service units is to serve as educational service providers in the  
9 state's system of elementary and secondary education.

10 (2) Educational service units shall:

11 (a) Act primarily as service agencies in providing core  
12 services and services identified and requested by member school  
13 districts;

14 (b) Provide for economy, efficiency, and  
15 cost-effectiveness in the cooperative delivery of educational  
16 services;

17 (c) Provide educational services through leadership,  
18 research, and development in elementary and secondary education;

19 (d) Act in a cooperative and supportive role with the  
20 State Department of Education and school districts in development  
21 and implementation of long-range plans, strategies, and goals for  
22 the enhancement of educational opportunities in elementary and  
23 secondary education; and

24 (e) Serve, when appropriate and as funds become  
25 available, as a repository, clearinghouse, and administrator of

1 federal, state, and private funds on behalf of school districts  
2 which choose to participate in special programs, projects, or  
3 grants in order to enhance the quality of education in Nebraska  
4 schools.

5 (3) ~~Except as provided in section 79-1241,~~ core Core  
6 services shall be provided by educational service units to all  
7 member school districts. Core services shall be defined by each  
8 educational service unit as follows:

9 (a) Core services shall be within the following service  
10 areas in order of priority: (i) Staff development which shall  
11 include access to staff development related to improving the  
12 achievement of students in poverty and students with diverse  
13 backgrounds; (ii) technology, including distance education  
14 services; and (iii) instructional materials services;

15 (b) Core services shall improve teaching and student  
16 learning by focusing on enhancing school improvement efforts,  
17 meeting statewide requirements, and achieving statewide goals in  
18 the state's system of elementary and secondary education;

19 (c) Core services shall provide schools with access to  
20 services that:

21 (i) The educational service unit and its member school  
22 districts have identified as necessary services;

23 (ii) Are difficult, if not impossible, for most  
24 individual school districts to effectively and efficiently provide  
25 with their own personnel and financial resources;

1 (iii) Can be efficiently provided by each educational  
2 service unit to its member school districts; and

3 (iv) Can be adequately funded to ensure that the service  
4 is provided equitably to the state's public school districts;

5 (d) Core services shall be designed so that the  
6 effectiveness and efficiency of the service can be evaluated on a  
7 statewide basis; and

8 (e) Core services shall be provided by the educational  
9 service unit in a manner that minimizes the costs of administration  
10 or service delivery to member school districts.

11 (4) Educational service units shall meet minimum  
12 accreditation standards set by the State Board of Education that  
13 will:

14 (a) Provide for accountability to taxpayers;

15 (b) Assure that educational service units are assisting  
16 and cooperating with school districts to provide for equitable and  
17 adequate educational opportunities statewide; and

18 (c) Assure a level of quality in educational programs and  
19 services provided to school districts by the educational service  
20 units.

21 (5) Educational service units may contract to provide  
22 services to:

23 (a) Nonmember public school districts;

24 (b) Nonpublic school systems;

25 (c) Other educational service units; and

1           (d) Other political subdivisions, under the Interlocal  
2 Cooperation Act and the Joint Public Agency Act.

3           (6) Educational service units shall not regulate school  
4 districts unless specifically provided pursuant to another section  
5 of law.

6           Sec. 46. Section 79-1212, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8           79-1212 Members of boards of educational service units  
9 existing prior to approval of any plan of reorganization shall  
10 serve as board members of educational service units which are  
11 reorganized pursuant to sections 79-1206 to 79-1211 until the  
12 expiration of their original terms. Such persons shall be members  
13 of the board of the reorganized educational service unit in which  
14 they reside. Within thirty days after approval of any plan of  
15 reorganization by the State Board of Education, the ~~Commissioner~~  
16 ~~of Education~~ president of the board of each educational service  
17 unit being reorganized shall call a meeting of board members of  
18 each such educational service unit, ~~being reorganized pursuant to~~  
19 ~~sections 79-1206 to 79-1211.~~ At such meeting, members of each  
20 such board shall appoint one member from each election district  
21 to be created pursuant to the plan of reorganization not having  
22 representation on such board to serve until the next general  
23 election. The board shall take all necessary action to prepare for  
24 operation of the reorganized educational service unit ~~commencing~~  
25 ~~one year~~ following approval of any plan of reorganization by the

1 State Board of Education. Expenses incurred by such board prior to  
2 such times shall be prorated between the counties comprising the  
3 educational service unit on the basis of the assessed valuation of  
4 such counties.

5 Sec. 47. Section 79-1241.01, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7 79-1241.01 To carry out sections ~~79-1241,~~ ~~79-1241.03,~~  
8 79-1241.03 and 79-1243, it is the intent of the Legislature  
9 to appropriate for each fiscal year the amount appropriated in  
10 the prior year increased by the percentage growth in the fall  
11 membership of member districts plus the basic allowable growth  
12 rate described in section 79-1025. For purposes of this section,  
13 fall membership has the same meaning as in section 79-1003. Fall  
14 membership data used to compute growth shall be from the two most  
15 recently available fall membership reports.

16 Sec. 48. Section 79-1241.03, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 79-1241.03 For school fiscal year 2008-09 and each school  
19 fiscal year thereafter:

20 (1) One percent of the funds appropriated for core  
21 services and technology infrastructure shall be transferred to  
22 the Educational Service Unit Coordinating Council. The remainder  
23 of such funds shall be distributed pursuant to subdivisions (2)  
24 through (6) of this section;

25 (2)(a) The distance education and telecommunications

1 allowance for each educational service unit shall equal eighty-five  
2 percent of the difference of the costs for telecommunications  
3 services, for access to data transmission networks that transmit  
4 data to and from the educational service unit, and for the  
5 transmission of data on such networks paid by the educational  
6 service unit as reported on the annual financial report for the  
7 most recently available complete data year minus the receipts from  
8 the federal Universal Service Fund pursuant to 47 U.S.C. 254,  
9 as such section existed on January 1, 2007, for the educational  
10 service unit as reported on the annual financial report for the  
11 most recently available complete data year and minus any receipts  
12 from school districts or other educational entities for payment  
13 of such costs as reported on the annual financial report of the  
14 educational service unit;

15 (b) The base allocation of each educational service unit  
16 shall equal two and one-half percent of the funds appropriated for  
17 distribution pursuant to this section;

18 (c) The satellite office allocation for each educational  
19 service unit shall equal one percent of the funds appropriated  
20 for distribution pursuant to this section for each office of  
21 the educational service unit, except the educational service unit  
22 headquarters, up to the maximum number of satellite offices. The  
23 maximum number of satellite offices used for the calculation of  
24 the satellite office allocation for any educational service unit  
25 shall equal the difference of the ratio of the number of square

1 miles within the boundaries of the educational service unit divided  
2 by four thousand minus one with the result rounded to the closest  
3 whole number;

4 (d) The statewide adjusted valuation shall equal the  
5 total adjusted valuation for all member districts of educational  
6 service units pursuant to section 79-1016 used for the calculation  
7 of state aid for school districts pursuant to the Tax Equity and  
8 Educational Opportunities Support Act for the school fiscal year  
9 for which the distribution is being calculated pursuant to this  
10 section;

11 (e) The adjusted valuation for each educational service  
12 unit shall equal the total adjusted valuation of the member school  
13 districts pursuant to section 79-1016 used for the calculation of  
14 state aid for school districts pursuant to the act for the school  
15 fiscal year for which the distribution is being calculated pursuant  
16 to this section, except that such adjusted valuation for member  
17 school districts that are also member districts of a learning  
18 community shall be reduced by fifty percent. The adjusted valuation  
19 for each learning community shall equal fifty percent of the total  
20 adjusted valuation of the member school districts pursuant to  
21 section 79-1016 used for the calculation of state aid for school  
22 districts pursuant to the act for the school fiscal year for which  
23 the distribution is being calculated pursuant to this section;

24 (f) The local effort rate shall equal \$0.0135 per one  
25 hundred dollars of adjusted valuation;

1           (g) Except as provided in subdivision (5) of this  
2 section, the statewide student allocation shall equal the  
3 difference of the sum of the amount appropriated for distribution  
4 pursuant to this section plus the product of the statewide adjusted  
5 valuation multiplied by the local effort rate minus the distance  
6 education and telecommunications allowance, base allocation, and  
7 satellite office allocation for all educational service units;

8           (h) The sparsity adjustment for each educational service  
9 unit and learning community shall equal the sum of one plus  
10 one-tenth of the ratio of the square miles within the boundaries  
11 of the educational service unit divided by the fall membership of  
12 the member school districts for the school fiscal year immediately  
13 preceding the school fiscal year for which the distribution is  
14 being calculated pursuant to this section;

15           (i) The adjusted students for each educational service  
16 unit shall equal the fall membership for the school fiscal year  
17 immediately preceding the school fiscal year for which aid is being  
18 calculated of the member school districts that will not be members  
19 of a learning community and fifty percent of the fall membership  
20 for such school fiscal year of the member school districts that  
21 will be members of a learning community pursuant to this section  
22 multiplied by the sparsity adjustment for the educational service  
23 unit, and the adjusted students for each learning community shall  
24 equal fifty percent of the fall membership for such school fiscal  
25 year of the member school districts multiplied by the sparsity

1 adjustment for the learning community;

2 (j) The per student allocation shall equal the statewide  
3 student allocation divided by the total adjusted students for all  
4 educational service units and learning communities;

5 (k) The student allocation for each educational service  
6 unit and learning community shall equal the per student allocation  
7 multiplied by the adjusted students for the educational service  
8 unit or learning community;

9 (l) The needs for each educational service unit shall  
10 equal the sum of the distance education and telecommunications  
11 allowance, base allocation, satellite office allocation, and  
12 student allocation for the educational service unit and the needs  
13 for each learning community shall equal the student allocation for  
14 the learning community; and

15 (m) The distribution of core services and technology  
16 infrastructure funds for each educational service unit and learning  
17 community shall equal the needs for each educational service unit  
18 or learning community minus the product of the adjusted valuation  
19 for the educational service unit or learning community multiplied  
20 by the local effort rate;

21 (3) If an educational service unit is the result of  
22 a merger or received new member school districts from another  
23 educational service unit, such educational service unit shall,  
24 for each of the three fiscal years following the fiscal year in  
25 which the merger takes place or the new member school districts

1 are received, receive core services and technology infrastructure  
2 funds pursuant to subdivisions (2) through (6) of this section  
3 in an amount not less than the core services and technology  
4 infrastructure funds received in the fiscal year immediately  
5 preceding the merger or receipt of new member school districts,  
6 except that if the total amount available to be distributed  
7 pursuant to subdivisions (2) through (6) of this section for  
8 such year is less than the total amount distributed pursuant to  
9 such subdivisions or ~~sections 79-1241 and~~ section 79-1243 for the  
10 immediately preceding fiscal year, the minimum core services and  
11 technology infrastructure funds for each educational service unit  
12 pursuant to this subdivision shall be reduced by a percentage equal  
13 to the ratio of the difference of the total amount distributed  
14 pursuant to subdivisions (2) through (6) of this section or  
15 ~~sections 79-1241 and~~ section 79-1243 for the immediately preceding  
16 fiscal year minus the total amount available to be distributed  
17 pursuant to subdivisions (2) through (6) of this section for the  
18 fiscal year in question divided by the total amount distributed  
19 pursuant to subdivisions (2) through (6) of this section or  
20 ~~sections 79-1241 and~~ section 79-1243 for the immediately preceding  
21 fiscal year. The core services and technology infrastructure funds  
22 received in the fiscal year immediately preceding a merger or  
23 receipt of new member school districts for an educational service  
24 unit shall equal the amount received in such fiscal year pursuant  
25 to subdivisions (2) through (6) of this section or ~~sections 79-1241~~

1 ~~and section~~ 79-1243 by any educational service unit affected by the  
2 merger or the transfer of school districts multiplied by a ratio  
3 equal to the valuation that was transferred to or retained by the  
4 educational service unit for which the minimum is being calculated  
5 divided by the total valuation of the educational service unit  
6 transferring or retaining the territory;

7           (4) For fiscal years 2008-09 through 2013-14, each  
8 educational service unit which will not have any member school  
9 districts that are members of a learning community shall receive  
10 core services and technology infrastructure funds under this  
11 section in an amount not less than ninety-five percent of the  
12 total of the core services and technology infrastructure funds that  
13 the educational service unit received in the immediately preceding  
14 fiscal year either pursuant to subdivisions (2) through (6) of this  
15 section or pursuant to ~~sections 79-1241 and~~ section 79-1243, except  
16 that if the total amount available to be distributed pursuant to  
17 subdivisions (2) through (6) of this section for such year is less  
18 than the total amount distributed pursuant to such subdivisions  
19 or ~~sections 79-1241 and~~ section 79-1243 for the immediately  
20 preceding fiscal year, the minimum core services and technology  
21 infrastructure funds for each educational service unit pursuant to  
22 this subdivision shall be reduced by a percentage equal to the  
23 ratio of the difference of the total amount distributed pursuant to  
24 subdivisions (2) through (6) of this section or ~~sections 79-1241~~  
25 ~~and section~~ 79-1243 for the immediately preceding fiscal year

1 minus the total amount available to be distributed pursuant to  
2 subdivisions (2) through (6) of this section for the fiscal year  
3 in question divided by the total amount distributed pursuant to  
4 subdivisions (2) through (6) of this section or ~~sections 79-1241~~  
5 ~~and~~ section 79-1243 for the immediately preceding fiscal year;

6 (5) If the minimum core services and technology  
7 infrastructure funds pursuant to subdivision (3) or (4) of this  
8 section for any educational service unit exceed the amount that  
9 would otherwise be distributed to such educational service unit  
10 pursuant to subdivision (2) of this section, the statewide student  
11 allocation shall be reduced such that the total amount to be  
12 distributed pursuant to this section equals the appropriation  
13 for core services and technology infrastructure funds and no  
14 educational service unit receives less than the greater of any  
15 minimum amounts calculated for such educational service unit  
16 pursuant to subdivisions (3) and (4) of this section; and

17 (6) The State Department of Education shall certify the  
18 distribution of core services and technology infrastructure funds  
19 pursuant to subdivisions (2) through (6) of this section to each  
20 educational service unit and learning community on or before July  
21 1, 2008, for school fiscal year 2008-09 and on or before July  
22 1 of each year thereafter for the following school fiscal year.  
23 Any funds appropriated for distribution pursuant to this section  
24 shall be distributed in ten as nearly as possible equal payments  
25 on the first business day of each month beginning in September

1 of each school fiscal year and ending in June. Funds distributed  
2 to educational service units pursuant to this section shall be  
3 used for core services and technology infrastructure with the  
4 approval of representatives of two-thirds of the member school  
5 districts of the educational service unit, representing a majority  
6 of the adjusted students in the member school districts used  
7 in calculations pursuant to this section for such funds. Funds  
8 distributed to learning communities shall be used for learning  
9 community purposes pursuant to sections 79-2104 and 79-2115, with  
10 the approval of the learning community coordinating council.

11 For purposes of this section, the determination of  
12 whether or not a school district will be a member of an educational  
13 service unit or a learning community shall be based on the  
14 information available May 1 for the following school fiscal year.

15 Sec. 49. Section 79-1601, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 79-1601 (1) Except as provided in subsections (2) through  
18 (6) of this section, all private, denominational, and parochial  
19 schools in the State of Nebraska and all teachers employed or  
20 giving instruction in such schools shall be subject to and governed  
21 by the provisions of the general school laws of the state so far  
22 as the same apply to grades, qualifications, and certification  
23 of teachers and promotion of ~~pupils.~~ students. All private,  
24 denominational, and parochial schools shall have adequate equipment  
25 and supplies, shall be graded the same, and shall have courses

1 of study for each grade conducted in such schools substantially  
2 the same as those given in the public schools ~~where the children~~  
3 ~~attending~~ which the students would attend in the absence of such  
4 private, denominational, or parochial schools.

5 (2) All private, denominational, or parochial schools  
6 shall either comply with the accreditation or approval requirements  
7 prescribed in section 79-318 or, for those schools which elect not  
8 to meet accreditation or approval requirements, the requirements  
9 prescribed in section 79-318 and subsections (2) through (6)  
10 of this section. Standards and procedures for approval and  
11 accreditation shall be based upon the program of studies, guidance  
12 services, the number and preparation of teachers in relation to the  
13 curriculum and enrollment, instructional materials and equipment,  
14 science facilities and equipment, library facilities and materials,  
15 and health and safety factors in buildings and grounds. Rules  
16 and regulations which govern standards and procedures for private,  
17 denominational, and parochial schools which elect, pursuant to  
18 the procedures prescribed in subsections (2) through (6) of this  
19 section, not to meet state accreditation or approval requirements  
20 shall be based upon evidence that such schools offer a program  
21 of instruction leading to the acquisition of basic skills in  
22 the language arts, mathematics, science, social studies, and  
23 health. Such rules and regulations may include a provision for  
24 the visitation of such schools and regular achievement testing  
25 of students attending such schools in order to insure that such

1 schools are offering instruction in the basic skills listed in  
2 this subsection. Any arrangements for visitation or testing shall  
3 be made through a parent representative of each such school. The  
4 results of such testing may be used as evidence that such schools  
5 are offering instruction in such basic skills but shall not be used  
6 to measure, compare, or evaluate the competency of students at such  
7 schools.

8 (3) The provisions of subsections (3) through (6) of this  
9 section shall apply to any private, denominational, or parochial  
10 school in the State of Nebraska which elects not to meet state  
11 accreditation or approval requirements. Elections pursuant to such  
12 subsections shall be effective when a statement is received by the  
13 Commissioner of Education signed by the parents or legal guardians  
14 of all ~~children~~ students attending such private, denominational,  
15 or parochial school, stating that (a) either specifically (i) the  
16 requirements for approval and accreditation required by law and the  
17 rules and regulations adopted and promulgated by the State Board of  
18 Education violate sincerely held religious beliefs of the parents  
19 or legal guardians or (ii) the requirements for approval and  
20 accreditation required by law and the rules and regulations adopted  
21 and promulgated by the State Board of Education interfere with  
22 the decisions of the parents or legal guardians in directing ~~their~~  
23 ~~child's~~ the student's education, (b) an authorized representative  
24 of such parents or legal guardians will at least annually submit  
25 to the Commissioner of Education the information necessary to

1 prove that the requirements of subdivisions (4)(a) through (c)  
2 of this section are satisfied, (c) the school offers the courses  
3 of instruction required by subsections (2), (3), and (4) of this  
4 section, and (d) the parents or legal guardians have satisfied  
5 themselves that individuals monitoring instruction at such school  
6 are qualified to monitor instruction in the basic skills as  
7 required by subsections (2), (3), and (4) of this section and  
8 that such individuals have demonstrated an alternative competency  
9 to monitor instruction or supervise ~~children~~ students pursuant to  
10 subsections (3) through (6) of this section.

11 (4) Each such private, denominational, or parochial  
12 school shall (a) meet minimum requirements relating to health,  
13 fire, and safety standards prescribed by state law and the rules  
14 and regulations of the State Fire Marshal, (b) report attendance  
15 pursuant to section 79-201, (c) maintain a sequential program  
16 of instruction designed to lead to basic skills in the language  
17 arts, mathematics, science, social studies, and health, and (d)  
18 comply with the immunization requirements in section 79-217 if  
19 the statement signed by the parents or legal guardians indicate  
20 a nonreligious reason pursuant to subdivision (3)(a)(ii) of this  
21 section for the student attending a private, denominational, or  
22 parochial school which elects not to meet state accreditation  
23 or approval requirements. The State Board of Education shall  
24 establish procedures for receiving information and reports required  
25 by subsections (3) through (6) of this section from authorized

1 parent representatives who may act as agents for parents or legal  
2 guardians of students attending such school and for individuals  
3 monitoring instruction in the basic skills required by subsections  
4 (2), (3), and (4) of this section.

5 (5) Individuals employed or utilized by schools which  
6 elect not to meet state accreditation or approval requirements  
7 shall not be required to meet the certification requirements  
8 prescribed in sections 79-801 to 79-815 but shall either (a) take  
9 appropriate subject matter components of a nationally recognized  
10 teacher competency examination designated by the State Board of  
11 Education as (i) including the appropriate subject matter areas for  
12 purposes of satisfying the requirements of subsections (3) and (4)  
13 of this section and (ii) a nationally recognized examination or (b)  
14 offer evidence of competence to provide instruction in the basic  
15 skills required by subsections (3) and (4) of this section pursuant  
16 to informal methods of evaluation which shall be developed by the  
17 State Board of Education. Such evidence may include educational  
18 transcripts, diplomas, and other information regarding the formal  
19 educational background of such individuals. Information concerning  
20 test results, transcripts, diplomas, and other evidence of formal  
21 education may be transmitted to the State Department of Education  
22 by authorized representatives of parents or legal guardians. The  
23 results of such testing or alternative evaluation of individuals  
24 who monitor the instruction of students attending such schools may  
25 be used as evidence of whether or not such schools are offering

1 adequate instruction in the basic skills prescribed in subsections  
2 (2), (3), and (4) of this section but shall not be used to prohibit  
3 any such school from employing such individuals. Failure of a  
4 monitor, who is tested for the purpose of satisfying in whole or  
5 in part the requirements of subsections (3) through (6) of this  
6 section, to attain a score equal to or exceeding both the state  
7 or national average score or rating on appropriate subject matter  
8 components of recognized teacher competency examinations designated  
9 by the State Board of Education may be by itself sufficient proof  
10 that such school does not offer adequate instruction in the basic  
11 skills prescribed in subsections (3) and (4) of this section.

12 (6) The demonstration of competency to monitor  
13 instruction in a private, denominational, or parochial school  
14 which has elected not to meet state accreditation or approval  
15 requirements shall in no way constitute or be construed to grant a  
16 license, permit, or certificate to teach in the State of Nebraska.  
17 Any school which elects not to meet state accreditation or approval  
18 requirements and does not meet the requirements of subsections  
19 (2) through (6) of this section shall not be deemed a school for  
20 purposes of section 79-201, and the parents or legal guardians of  
21 any ~~children~~ students attending such school shall be subject to  
22 prosecution pursuant to such section or any statutes relating to  
23 habitual truancy.

24 Sec. 50. Section 79-1606, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           79-1606 In case any private, denominational, or parochial  
2 school, after a final determination by the proper authorities under  
3 sections 79-1601 to 79-1607, fails, refuses, or neglects to conform  
4 to and comply with such sections, no person shall be granted  
5 or allowed a certificate to teach in such school and the ~~pupils~~  
6 students attending such school shall be required to attend the  
7 public school of the proper district as provided by law in like  
8 manner as though there were no such private, denominational, or  
9 parochial school. Full credit for certification under the law shall  
10 be given all teachers who have taught in private, denominational,  
11 or parochial schools the same as though they had taught in public  
12 schools.

13           Sec. 51. Section 85-607, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           85-607 No publicly funded college or university in this  
16 state shall prohibit the admission of any ~~child~~ student educated in  
17 any school which elects to meet the requirements of subsections (2)  
18 through (6) of section 79-1601 if the ~~child~~ student is qualified  
19 for admission as shown by testing results.

20           Sec. 52. Original sections 13-518, 43-2007, 60-658,  
21 79-234, 79-239, 79-240, 79-2,104, 79-2,105, 79-304, 79-305,  
22 79-306, 79-310, 79-313, 79-317, 79-318, 79-319, 79-528, 79-569,  
23 79-598, 79-606, 79-608, 79-611, 79-1003, 79-1007.06, 79-1007.08,  
24 79-1007.16, 79-1007.20, 79-1007.21, 79-1014, 79-1065.01, 79-1084,  
25 79-1086, 79-10,110, 79-1102.01, 79-1110, 79-1127, 79-1148, 79-1149,

1 79-1150, 79-1161, 79-1204, 79-1212, 79-1241.01, 79-1241.03,  
2 79-1601, 79-1606, and 85-607, Reissue Revised Statutes of Nebraska,  
3 and sections 79-233, 79-237, 79-238, and 79-1007.22, Reissue  
4 Revised Statutes of Nebraska, as amended by sections 1, 2, 3,  
5 and 4, respectively, Legislative Bill 62, One Hundred First  
6 Legislature, First Session, 2009, are repealed.

7           Sec. 53. The following sections are outright repealed:  
8 Sections 48-1301, 48-1302, 48-1303, 48-1304, 48-1305, 48-1306,  
9 48-1309, 79-1168, 79-1169, 79-1170, 79-1171, 79-1172, 79-1173,  
10 79-1174, 79-1175, 79-1176, 79-1177, 79-1178, 79-11,136, 79-11,137,  
11 79-11,138, 79-11,139, 79-11,140, 79-11,141, and 79-1241, Reissue  
12 Revised Statutes of Nebraska.